

GENERAL CLAIMS HANDLING – CALIFORNIA WORKERS COMPENSATION, SELF INSURANCE PRACTICE TEST (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. If you disagree with the findings of an Agreed Medical Examiner, what should you do?**
 - A. Request a second opinion from a different physician
 - B. Send a letter to the Agreed Medical Examiner asking for clarification
 - C. File a formal complaint against the Agreed Medical Examiner
 - D. Accept the findings as final
- 2. What can be the consequence of paying a Med/Legal bill late?**
 - A. Reduction in benefits
 - B. Increase in future premiums
 - C. Legal action
 - D. Interest charges
- 3. When can rehabilitation benefits be settled?**
 - A. When there is a dispute about medical bills.
 - B. When the employee is ready to return to work.
 - C. When there is a good faith issue that could defeat the employee's right to all benefits.
 - D. When the employer agrees to an early settlement.
- 4. What is the total training hours required for Med Only Claim Adjusters to be certified?**
 - A. 40 Hours
 - B. 60 Hours
 - C. 80 Hours
 - D. 100 Hours
- 5. Where must out-of-state self-insurers maintain their claims files?**
 - A. In any state mandated by the employer
 - B. At their corporate headquarters
 - C. In California without specific written approval
 - D. In the state of the employee's residence

- 6. How long does an employer have to initiate a self-insurance program after obtaining a Certificate to Self-Insure?**
- A. Three months
 - B. Six months
 - C. One year
 - D. Two years
- 7. In which Claim Log will an injury that occurs in December but is reported in January be recorded?**
- A. The year the injury occurred
 - B. The year it was reported
 - C. The year of the insurance policy
 - D. The fiscal year of the employer
- 8. What are the limits for reasonable burial expenses between 1991 and 2012?**
- A. \$3,500
 - B. \$4,500
 - C. \$5,000
 - D. \$6,000
- 9. What is the maximum benefit for an employee with a Permanent Disability between 50% - 99% within the 2004 - 2013 range?**
- A. \$5,000
 - B. \$8,000
 - C. \$10,000
 - D. \$12,000
- 10. How does a permanent partial disability affect an employee's earning capacity?**
- A. It enhances their earning potential
 - B. It completely restricts earning capacity
 - C. It can reduce their ability to earn income
 - D. It has no impact on earning capacity

Answers

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

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Explanations

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1. If you disagree with the findings of an Agreed Medical Examiner, what should you do?

- A. Request a second opinion from a different physician
- B. Send a letter to the Agreed Medical Examiner asking for clarification**
- C. File a formal complaint against the Agreed Medical Examiner
- D. Accept the findings as final

Requesting clarification from the Agreed Medical Examiner is a prudent approach when there is disagreement with their findings. This option allows for direct communication and provides an opportunity to address any specific concerns or misunderstandings regarding the medical examination or its outcomes. By seeking clarification, you may gain additional insights or explanations that could resolve your questions or lead to a better understanding of the medical determinations made. In contrast, simply seeking a second opinion may not always lead to resolution and could complicate the claims process, while filing a formal complaint unnecessarily escalates the issue. Accepting the findings as final without addressing the concerns would ignore potential substantial disagreements that could impact the claim outcome. Engaging with the Agreed Medical Examiner through a clarification request is a constructive first step to handle such disagreements effectively.

2. What can be the consequence of paying a Med/Legal bill late?

- A. Reduction in benefits
- B. Increase in future premiums
- C. Legal action
- D. Interest charges**

Paying a Med/Legal bill late can result in interest charges accruing on the overdue amount. In the context of California Workers' Compensation, timely payment of medical bills, including Med/Legal bills, is crucial to ensure compliance with regulations and to avoid financial penalties. When bills are paid late, the creditor may impose interest on the outstanding balance as a way to compensate for the delayed payment. This serves as an incentive for timely payment and underscores the financial responsibilities of employers and insurers in managing claims effectively. Addressing the other possible consequences, while reduction in benefits, increase in future premiums, and potential legal action are relevant considerations in the workers' compensation framework, they are not direct outcomes of just paying a Med/Legal bill late. Reduction in benefits typically relates to a separate issue, such as an employee's inability to return to work or issues with their claim. An increase in future premiums often arises from overall claims experience or poor risk management rather than from a single bill payment issue. Legal action could ensue from various grievances but is not an automatic consequence of paying a Med/Legal bill late. Thus, interest charges directly reflect the financial penalties associated with late payments.

3. When can rehabilitation benefits be settled?

- A. When there is a dispute about medical bills.
- B. When the employee is ready to return to work.
- C. When there is a good faith issue that could defeat the employee's right to all benefits.**
- D. When the employer agrees to an early settlement.

Rehabilitation benefits can be settled when there is a good faith issue that could potentially affect the employee's entitlement to all benefits. This situation arises if there are challenges regarding the legitimacy of the claim or the employee's ongoing need for rehabilitation services. In other words, if there are concerns that could lead to a denial of the employee's rights to receive full benefits—such as evidence of non-cooperation in the rehabilitation process or questions about the validity of the injury—the parties might agree to a settlement. Settling in this context allows both the employee and employer to resolve uncertainties that may disrupt the benefit process. It can be advantageous for the employer to limit their financial exposure and for the employee to secure agreed-upon benefits despite the doubts about their claim. In contrast, settling based on the employee being ready to return to work typically pertains to the conclusion of benefits rather than a preemptive settlement. Disputes about medical bills concern payments and do not by themselves provide grounds for settling rehabilitation benefits. An early settlement agreement between the employer and employee may also not involve factors that pertain directly to rehabilitation benefits being settled under circumstances of good faith issues.

4. What is the total training hours required for Med Only Claim Adjusters to be certified?

- A. 40 Hours
- B. 60 Hours
- C. 80 Hours**
- D. 100 Hours

The correct total training hours required for Med Only Claim Adjusters to be certified is 80 hours. This requirement is set to ensure that the adjusters possess a comprehensive understanding of the complexities involved in managing medical-only claims within the workers' compensation system. The 80 hours of training typically cover various topics, including California workers' compensation laws, claims handling procedures, understanding medical billing and coding, and communication skills necessary for effective claim resolution. This thorough training prepares adjusters to manage these claims efficiently and adhere to legal and regulatory guidelines, ensuring fair treatment of injured workers. The other options do not meet the established training benchmarks, as they fall short in providing the necessary depth of knowledge and skills required for the proper oversight of medical-only claims.

5. Where must out-of-state self-insurers maintain their claims files?

- A. In any state mandated by the employer
- B. At their corporate headquarters
- C. In California without specific written approval**
- D. In the state of the employee's residence

The correct answer is that out-of-state self-insurers must maintain their claims files in California without specific written approval. This requirement is rooted in California's Workers' Compensation laws, which govern the processes and regulations for claims handling in the state. Self-insurers, regardless of their home state, need to comply with California regulations when they cover employees who work in California. This ensures that claims can be managed effectively and that compliance with California's legal framework is maintained. In California, having claims files available in the state enables accessibility and expedites the handling of claims, which is essential for both the employer and the injured employee. This positioning of records must be adhered to unless there is a specific written approval allowing for a different arrangement. Such an approval would need to be formally requested and granted, underscoring the importance of compliance in claims management. Maintaining claims files in the state of the employee's residence does not align with the regulations set forth by California and could potentially complicate the claims process, especially if the employee requires immediate assistance or if there are legal implications that need timely attention. Thus, it is vital for out-of-state self-insurers to understand and adhere to California's rules to ensure proper claims handling.

6. How long does an employer have to initiate a self-insurance program after obtaining a Certificate to Self-Insure?

- A. Three months
- B. Six months**
- C. One year
- D. Two years

The correct timeframe for an employer to initiate a self-insurance program after obtaining a Certificate to Self-Insure is six months. This requirement is established to ensure that employers are prepared and comply with the regulatory framework set by the California Division of Workers' Compensation. The six-month period allows employers adequate time to set up the necessary administrative procedures and financial arrangements to manage their workers' compensation liabilities effectively. This includes establishing protocols for claims management, reserving adequate funds, and ensuring that they are equipped to handle potential claims from employees, given that self-insurance shifts the responsibility from an insurance carrier to the employer itself. Therefore, the six-month requirement is a critical component of ensuring that self-insured employers are ready to fulfill their obligations under workers' compensation laws.

7. In which Claim Log will an injury that occurs in December but is reported in January be recorded?

- A. The year the injury occurred
- B. The year it was reported**
- C. The year of the insurance policy
- D. The fiscal year of the employer

The correct choice for recording an injury that occurs in December but is reported in January is based on the principle that claims are logged in the year they are reported, irrespective of when the actual injury happened. This is important for administrative purposes, tracking claims' costs, and adhering to reporting deadlines and requirements. When it comes to workers' compensation claims, the date of reporting can significantly impact various evaluations, including the claims processing timeline, the adjustment of reserves, and compliance with statutory reporting timelines. Recording the claim in the year it was reported allows for a clear and organized approach in managing claims and ensures that the claims data reflects the most current information available for analysis and trend evaluation. Other choices like the year the injury occurred or the fiscal year of the employer do not accurately reflect the procedural standard in claims handling, which emphasizes the importance of when claims are officially acknowledged and processed rather than when the incident took place.

8. What are the limits for reasonable burial expenses between 1991 and 2012?

- A. \$3,500
- B. \$4,500
- C. \$5,000**
- D. \$6,000

The correct limit for reasonable burial expenses from 1991 to 2012 in the California Workers' Compensation system is \$5,000. This figure is set to assist with the costs incurred for burial when a worker dies due to a work-related injury or illness. Understanding this limit is essential, as it reflects the state's acknowledgment of the financial impact that the death of a worker can have on their beneficiaries or dependents. The amount was consistent throughout this time frame, indicating that it was a universally recognized threshold for burial expenses under workers' compensation claims. Variations in the other figures provided may stem from changes in regulations or adjustments in other areas of compensation, but the specific amount designated for burial expenses remained at \$5,000 throughout the specified years, ensuring that families receive support for this unavoidable cost.

9. What is the maximum benefit for an employee with a Permanent Disability between 50% - 99% within the 2004 - 2013 range?

- A. \$5,000
- B. \$8,000
- C. \$10,000**
- D. \$12,000

The maximum benefit for an employee with a Permanent Disability rating between 50% to 99% within the 2004 to 2013 range is \$10,000. This amount reflects the structure of California's workers' compensation system, which established specific limits associated with permanent disabilities based on different ranges of disability percentages. The design of these benefits is intended to provide financial assistance to employees who are significantly impacted by permanent injuries, ensuring they receive adequate support during their recovery and adjustment period. In the context of permanent disability benefits, the system uses a formula to determine the compensation based on the percentage of disability, with defined maximums set to provide guidance for claims processing. The \$10,000 benefit for a disability rating in the specified range is consistent with regulations and policies during that timeframe. This maximum has been established in part to standardize compensation and provide predictability for both employees and employers in the workers' compensation system. Other amounts mentioned in the choices do not correspond with the established rates for that period.

10. How does a permanent partial disability affect an employee's earning capacity?

- A. It enhances their earning potential
- B. It completely restricts earning capacity
- C. It can reduce their ability to earn income**
- D. It has no impact on earning capacity

A permanent partial disability can significantly impact an employee's earning capacity because it often results in some level of impairment that can hinder the employee's ability to perform their job as effectively as before the injury. This reduction might not completely eliminate their ability to work but can lead to limitations in certain tasks or job functions, making it difficult for the employee to take on their previous position or may compel them to transition to a lower-paying job that accommodates their disability. This situation could manifest in various ways, such as fewer job opportunities available that match their skills and physical capabilities or a potential decrease in work hours, both of which can lead to a lower overall income. Therefore, recognizing the connection between permanent partial disability and earning capacity is crucial for understanding the implications for affected employees in the workers' compensation system.

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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