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.

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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!

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Questions

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1. A greenstick fracture is which description?

A. Shattered bone

B. Bone sticking out of the skin

C. Bone that is broken on the side

D. Bone that has a complete break

2. Which pairing correctly defines the term with its meaning?

A. Ganglion cyst - fluid-filled lump near a joint

B. Spondylitis - inflammation of a vertebra

C. Spondylosis - inflammation of vertebrae

D. Myelitis - inflammation of the spinal cord

3. If an employer has an aggregate excess (stop-loss) workers' compensation policy, does the employer receive credit against the security deposit?

A. Yes, full credit is allowed.

B. No, credit is not given.

C. Credit depends on policy year.

D. Only for private self-insurance.

4. When can you close a claims file?

A. When all benefits that are due and payable have been paid

B. When the employee has returned to work

C. When temporary disability has ended

D. When the last payment of permanent disability has been made

5. Which nerve is the largest in the body and runs from the spine to the foot?

A. Sciatic nerve

B. Sternum

C. Scoliosis

D. Scaphoid bone

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6. Which statement best describes the role of a Third Party Administrator in self-insurance programs?

A. The TPA oversees claim administration and processing

B. The TPA handles payroll processing

C. The TPA provides medical treatment

D. The TPA approves policy renewals

7. Which carpal bone is most frequently fractured?

A. Lunate

B. Capitate

C. Scaphoid

D. Trapezium

8. A knee injury produces no objective disability for work restrictions but the physician prescribes a stretch knee brace. What is the rating for the knee?

A. 10 percent

B. 15 percent

C. 20 percent

D. 25 percent

9. For private individual employer applicants seeking a master certificate, how many calendar years must the business have been in operation?

A. 2

B. 3

C. 4

D. 5

10. A notice of Employee Death shall be filed with the Administrative Director within * days, where the employee left no surviving minor child.**

A. 14 days

B. 20 days

C. 30 days

D. 60 days

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Answers

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

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Explanations

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1. A greenstick fracture is which description?

A. Shattered bone

B. Bone sticking out of the skin

C. Bone that is broken on the side

D. Bone that has a complete break

Greenstick fracture is an incomplete break where the bone bends and cracks on one side while the other side remains intact. This happens because children's bones are more flexible, so a bending force can cause a crack on the tension side without a full break on the compression side. On imaging you may see a bend with a hairline fracture on the convex side and continuity on the other cortex. It differs from a complete fracture (bone broken all the way through), a comminuted fracture (bone shattered into pieces), or an open fracture (bone protrudes through the skin).

2. Which pairing correctly defines the term with its meaning?

A. Ganglion cyst - fluid-filled lump near a joint

B. Spondylitis - inflammation of a vertebra

C. Spondylosis - inflammation of vertebrae

D. Myelitis - inflammation of the spinal cord

In medical terminology, a ganglion cyst is a fluid-filled lump near a joint. This type of cyst arises from a joint or tendon sheath and contains a viscous fluid, commonly appearing on the wrist or hand. The other terms describe different ideas: spondylitis refers to inflammation of the vertebrae or spine, spondylosis denotes degenerative changes in the spine rather than inflammation, and myelitis means inflammation of the spinal cord. Since the pairing in question defines a fluid-filled lump near a joint, it matches the first option.

3. If an employer has an aggregate excess (stop-loss) workers' compensation policy, does the employer receive credit against the security deposit?

A. Yes, full credit is allowed.

B. No, credit is not given.

C. Credit depends on policy year.

D. Only for private self-insurance.

The key idea is that the security deposit for a self-insured workers' compensation program is a state-required guarantee to cover the employer's own liability for benefits. An aggregate excess (stop-loss) policy shifts the high-cost claims to a reinsurer, but it does not fund or reduce the employer's obligation to the state. Because the deposit is intended to ensure solvency and timely benefit payments regardless of external reinsurance, the department does not provide a credit against the security deposit for having stop-loss coverage. So even with stop-loss in place, the employer still must meet the full security deposit requirement. The stop-loss helps manage exposure, but it doesn't change the amount the state requires as security.

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4. When can you close a claims file?

A. When all benefits that are due and payable have been paid

B. When the employee has returned to work

C. When temporary disability has ended

D. When the last payment of permanent disability has been made

Closing a workers' compensation claim file happens when there are no remaining obligations tied to that claim. The defining moment is when all benefits due and payable have been paid or otherwise resolved, so there are no future entitlements outstanding. This ensures the file accurately reflects that the insurer has fulfilled all liabilities related to the claim. Relying on a return to work, the end of temporary disability, or the last permanent disability payment alone doesn't guarantee there won't be other obligations—there can be ongoing medical benefits, future medical costs, or other entitlements still pending. Thus, the correct trigger is that all benefits due and payable have been satisfied.

5. Which nerve is the largest in the body and runs from the spine to the foot?

A. Sciatic nerve

B. Sternum

C. Scoliosis

D. Scaphoid bone

The key idea is identifying the largest nerve and tracing its course from the spine to the foot. The sciatic nerve is the largest nerve in the body by diameter and is among the longest. It forms from nerve roots in the lower spine (L4 through S3) and exits the pelvis through the greater sciatic foramen, typically below the piriformis muscle, then runs down the back of the thigh. It supplies most of the posterior thigh muscles and, as it travels, divides near the knee into the tibial and common fibular (peroneal) nerves, which continue down to the foot. That long path from the spine to the foot is what makes it the largest nerve. The other options aren't nerves: the sternum is a chest bone, scoliosis is a spinal curvature, and the scaphoid is a wrist bone.

6. Which statement best describes the role of a Third Party Administrator in self-insurance programs?

A. The TPA oversees claim administration and processing

B. The TPA handles payroll processing

C. The TPA provides medical treatment

D. The TPA approves policy renewals

In a self insurance program, the Third Party Administrator's primary function is to handle all aspects of claims administration. This includes receiving injury reports, opening and supervising claims, assigning adjusters, evaluating coverage, reserving liability, processing and paying approved benefits, and coordinating care with medical providers and networks. They also may conduct utilization review, manage subrogation, and assist with return to work programs. They do not actually provide medical treatment—that role belongs to licensed medical professionals—and payroll processing or policy renewals are not duties of the TPA in a self insured plan.

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7. Which carpal bone is most frequently fractured?

A. Lunate

B. Capitate

C. Scaphoid

D. Trapezium

Scaphoid fractures are the most common carpal bone injuries. This bone sits on the thumb side of the wrist and is stressed when you fall on an outstretched hand with the wrist extended, making it more likely to crack than other carpal bones. Pain is often felt in the anatomic snuffbox, and initial X-rays can be negative, so immobilization and follow-up imaging (MRI or CT) are used if suspicion remains. A key point is the scaphoid's retrograde blood supply from the radial artery, which means a fracture—especially in the proximal pole—can lead to avascular necrosis or nonunion if not treated promptly. Other carpal bones can fracture, but far less often, so this bone is the best answer.

8. A knee injury produces no objective disability for work restrictions but the physician prescribes a stretch knee brace. What is the rating for the knee?

A. 10 percent

B. 15 percent

C. 20 percent

D. 25 percent

The key idea is that permanent impairment for a knee can be established by the presence of a treatment device, not just by objective work restrictions. When a knee injury doesn't produce measurable disability affecting work but a stretch knee brace is prescribed, this indicates a permanent functional deficit that the rating schedule recognizes. The brace signals ongoing instability or ligamentous issue that remains a part of the knee's condition, and the California impairment schedule assigns a fixed impairment value for this situation. In this scenario, the appropriate rating is ten percent. Higher percentages would reflect additional objective findings such as reduced range of motion, instability with functional limitations, or the need for surgical intervention, which are not stated here.

9. For private individual employer applicants seeking a master certificate, how many calendar years must the business have been in operation?

A. 2

B. 3

C. 4

D. 5

The question tests the minimum operating history required to qualify for a master certificate. For private individual employer applicants, the business must have been in operation for three calendar years. This three-year minimum shows the insurer has a stable, trackable history of payroll, premiums, and claims activity, which allows the administering authority to assess financial viability and risk before granting master-level self-insurance authority. A shorter history wouldn't provide enough data to evaluate risk, while longer histories aren't mandated by this rule.

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10. A notice of Employee Death shall be filed with the Administrative Director within * days, where the employee left no surviving minor child.**

A. 14 days

B. 20 days

C. 30 days

D. 60 days

The key idea here is the reporting deadline for a death under California Self Insurance Plan rules. When an employee dies and there are no surviving minor children, the Notice of Employee Death must be filed with the Administrative Director within 60 days. This longer timeframe reflects that there are no dependent minors requiring immediate protection or expedited processing, so the rule allows a fuller window to complete the filing. If there were surviving minor children or other dependents, the deadline would be shorter to ensure timely action for those dependents. That's why the other options (14, 20, 30 days) aren't appropriate in this scenario.

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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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