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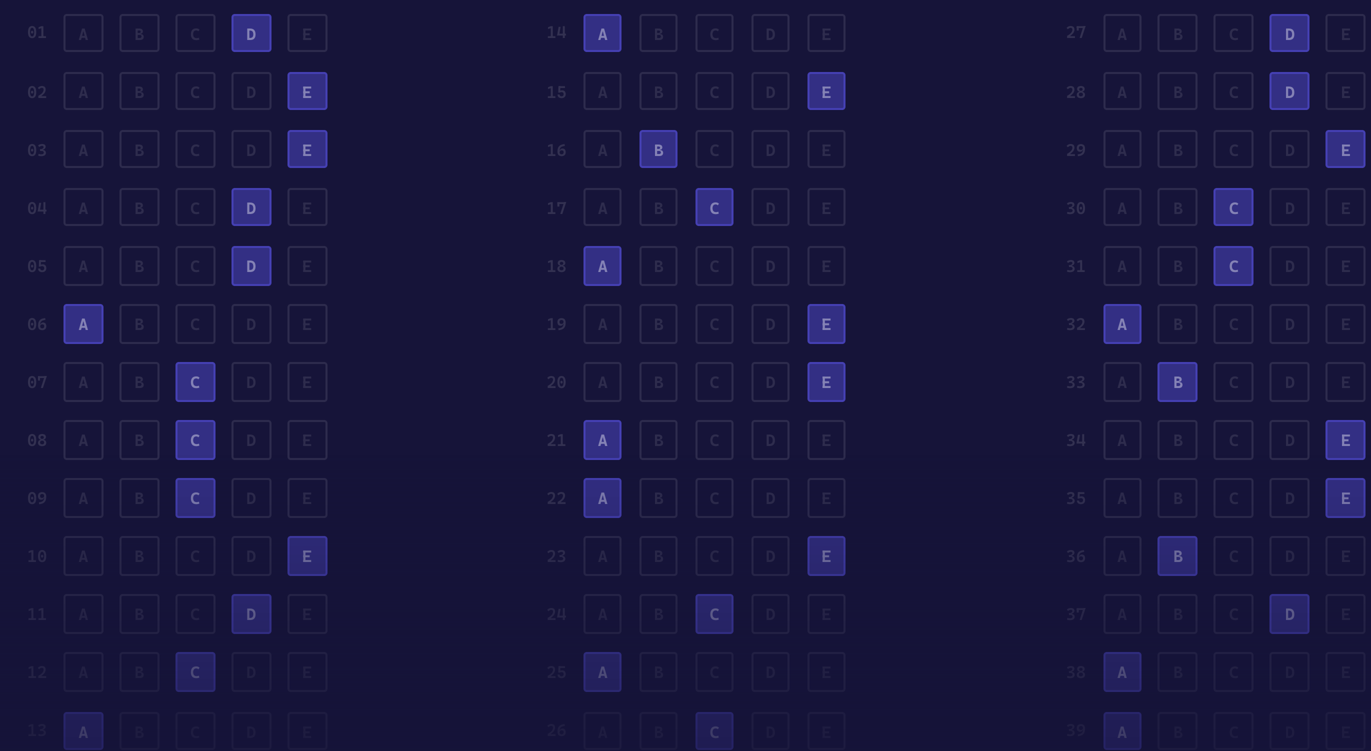

PRACTICE QUESTIONS

CA OFFICE OF SELF INSURANCE PLANS

UKNE24QQ

CA Self Insurance Examination

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

WEB www.mometrix.net

SUPPORT support@mometrix.net

Before you begin

What this is

9 practice questions for CA OFFICE OF SELF INSURANCE PLANS `UKNE24QQ`, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, `UKNE24QQ`
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1 SINGLE CHOICE

Which California state department administers the Self-Insurance Plans (SIP) program for workers' compensation?

A Department of Industrial Relations (DIR)

B Department of Insurance (CDI)

C Office of Self-Insurance Plans (OSIP)

D Employment Development Department (EDD)

ANSWER **C**

WHY The Office of Self-Insurance Plans (OSIP) is the state office that administers California's self-insurance program for workers' compensation, certifying and overseeing self-insured employers and groups. DIR is the umbrella department, but the SIP program itself is run by OSIP.

QUESTION 2 SINGLE CHOICE

Under California law, which of the following best describes an employer's basic eligibility to self-insure for workers' compensation?

A Any employer with at least one employee may self-insure without any further requirement.

B An employer that has been regularly and continuously engaged in employment in California and has a legally sufficient program for workers' compensation may qualify, subject to OSIP approval.

C Only employers in the construction industry may self-insure in California.

D Only public entities may self-insure; private employers must purchase insurance.

ANSWER **B**

WHY OSIP certifies private employers and groups that meet statutory standards, including being regularly and continuously engaged in California employment and maintaining an approved workers' compensation program. There is no industry restriction and private employers may self-insure if qualified.

QUESTION 3 SINGLE CHOICE

What form of security is required from a private self-insured employer in California to guarantee payment of workers' compensation obligations?

A A stock insurance policy from an admitted carrier

B **A surety bond, deposit, or guarantee acceptable to OSIP**

C A letter of credit from any financial institution with no further approval

D No security is required; certification alone is sufficient

ANSWER **B**

WHY California requires self-insured employers to post security in a form acceptable to OSIP, typically a surety bond, deposit, or equivalent guarantee, to ensure benefits can be paid if the employer defaults. A letter of credit alone is not automatically accepted, and a stock insurance policy is the opposite of self-insurance.

QUESTION 4 SINGLE CHOICE

A self-insured group (SIG) in California is best described as:

A A single employer that pools its own employees' claims with no other members.

B **A group of employers that jointly self-insure their workers' compensation liabilities under a single OSIP-approved program administered by a group administrator.**

C A government agency that insures public employees.

D A workers' compensation insurance carrier licensed by the Department of Insurance.

ANSWER **B**

WHY A SIG is a group of employers that collectively self-insure under an OSIP-approved structure, sharing risk and administered by a designated group administrator. It is not a single-employer plan, a government program, or an admitted insurance carrier.

QUESTION 5 MULTIPLE CHOICE

Which of the following are ongoing obligations of an OSIP-certified self-insured employer in California? (Choose two.)

A **File annual financial reports and payroll data with OSIP as required.**

B Maintain a written claims-handling program that meets OSIP standards.

C Purchase a standard admitted workers' compensation policy for the same coverage period.

D **Notify OSIP of any material change affecting certification, such as change of administrator or insolvency.**

ANSWER **A · D**

WHY Self-insured employers must file required financial/payroll reports with OSIP and must report material changes affecting their certification, including changes in administrator or financial condition. Purchasing an admitted policy would duplicate coverage and is not required; while claims-handling standards apply, OSIP's primary ongoing certification obligations center on financial reporting and notification of material changes.

QUESTION 6 SINGLE CHOICE

The Self-Insurer's Security Fund in California is primarily used to:

A Pay dividends to self-insured employers.

B **Pay workers' compensation benefits when a self-insured employer or group fails to do so, and to fund loss-control and fraud programs.**

C Reimburse insurance carriers for premium taxes.

D Provide unemployment insurance benefits.

ANSWER **B**

WHY The Self-Insurer's Security Fund is funded by assessments on self-insured employers and groups and is used to pay benefits when a self-insurer fails to pay, as well as to support loss-control and fraud-reduction efforts. It does not pay dividends or fund unemployment insurance.

QUESTION 7 SINGLE CHOICE

If OSIP revokes a private employer's certificate to self-insure, the employer is responsible for:

A Immediately ceasing all business operations in California.

B Continuing to administer and pay existing workers' compensation claims for the tail period required under California law and OSIP rules.

C Transferring all past claims to the Employment Development Department.

D No further responsibility, because OSIP assumes all liabilities.

ANSWER **B**

WHY Even after certification is withdrawn or revoked, a self-insured employer remains responsible for administering and paying existing claims and for posting tail security as required. OSIP does not assume those liabilities, and the employer does not cease business operations.

QUESTION 8 SINGLE CHOICE

Self-insurance for workers' compensation in California is primarily governed by:

A Labor Code section 3700 and related provisions, together with OSIP regulations.

B The California Vehicle Code.

C The federal Social Security Act.

D The California Health and Safety Code.

ANSWER **A**

WHY Workers' compensation self-insurance in California is grounded in Labor Code section 3700 (and related Labor Code provisions), implemented through OSIP's regulations and rules. The Vehicle Code, Social Security Act, and Health and Safety Code govern unrelated subjects.

QUESTION 9 SINGLE CHOICE

Under OSIP rules, a third-party administrator (TPA) or group administrator for a self-insured employer or group is responsible for:

A. Underwriting and pricing admitted workers' compensation policies for the employer.

B. **Administering claims, maintaining records, and complying with OSIP reporting and claims-handling requirements on behalf of the self-insurer.**

C. Setting California workers' compensation benefit rates.

D. Replacing OSIP's regulatory authority.

ANSWER **B**

WHY TPAs and group administrators handle day-to-day claims administration, recordkeeping, and required reporting for self-insured employers and groups under OSIP oversight. They do not price them as admitted carriers, do not set statutory benefit rates, and do not replace OSIP.