

WORKERS' COMPENSATION ADDENDUM

to

THE CURRENT COLLECTIVE BARGAINING AGREEMENT

between

**ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA, INC
ENGINEERING AND UTILITY CONSTRUCTION EMPLOYERS
CONSTRUCTION EMPLOYERS ASSOCIATION**

and

ASSOCIATION OF ENGINEERING CONSTRUCTION EMPLOYERS

and

**NORTHERN CALIFORNIA DISTRICT COUNCIL OF LABORERS, THE
NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL AND
OPERATING ENGINEERS LOCAL UNION NO. 3**

and

THE SIGNATORY EMPLOYER

This Workers' Compensation Addendum ("Addendum") is entered into by and between Associated General Contractors of California, Inc. ("AGC"), the Engineering and Utility Construction Employers ("EUCA"), the Construction Employers Association ("CEA"), the Association of Engineering Construction Employers ("AECE") referred to collectively as the "EMPLOYER," and the Northern California District Council of Laborers, the Northern California Carpenters Regional Council and the Operating Engineers Local Union No. 3.

This Addendum is intended as an addendum to the current Collective Bargaining Agreements ("CBA") between the Employer and the Union.

ARTICLE I: PURPOSE

The purposes of this Addendum are the following: (1) to provide employees claiming compensable injuries under Division 4 of the California Labor Code ("Workers' Compensation Law") with improved access to high-quality medical treatment and prompt compensation, (2) to reduce the number and severity of disputes between employees and employers regarding workers' compensation, (3) to provide a better method to resolve such disputes when they occur, (4) to provide workers' compensation coverage in a way that improves labor management relationships, job security and organizational effectiveness, and (5) to provide the foregoing on a stable and long-term basis.

These purposes will be achieved by utilizing provisions of California Labor Code § 3201.5 and other relevant laws to establish the following: a labor-management trust, an employer safety group for insurance, an exclusive list of medical providers, an alternative dispute prevention and resolution system, and exclusive lists of medical evaluators and vocational rehabilitation and retraining programs.

The Employer and Union recognize the interdependent nature of each purpose and each means to achieve those purposes.

ARTICLE II: PLEDGE OF ACCORD

The Union and Employer enter into this Addendum with the understanding that the law authorizing this Addendum is radically new, untested and evolving, and that problems may therefore arise in applying and administering this Addendum. Nevertheless, it is understood that long term benefits can be attained by Employees, the Union and Employers by everyone's good faith performance of this Addendum. Therefore, it is agreed that every good faith effort shall be made to apply and administer this Addendum in accordance with the true intent of its purposes, rights and obligations.

ARTICLE III: SCOPE OF THE ADDENDUM

A. It is recognized that California law restricts which employers can become covered and remain covered by this Addendum. The terms of this Addendum will apply to the Employees, Union and Employer, if:

1. The Employer satisfies all requirements of California Labor Code §3201.5 to be eligible for coverage by this Addendum;

2. The Employer secures and maintains workers' compensation coverage with the insurance carrier affiliated with Basic Crafts Workers Benefits Trust Fund and complies with the requirements of California Labor Code §3201.5 regarding insurance coverage; and

3. The Employer is not delinquent in making Trust contributions required by this Addendum for more than any four months.

B. The Employer's failure to satisfy any of the conditions in Paragraph A will terminate this Addendum, but not the CBA. Such termination will not prohibit the Employer from again becoming signatory to this Addendum.

C. This Addendum applies only to injuries, as defined by Workers' Compensation Law, sustained by Employees when covered by this Addendum. Injuries occurring after termination of this Addendum, for any reason, are not covered by this Addendum.

D. This Addendum is not intended to diminish any type of compensation that Employees are entitled under Workers' Compensation Law, to the full extent that compensation has been defined by Workers' Compensation Law.

E. This Addendum is binding upon the heirs, executors, administrators, purchasers and assigns of the Employer, subject to the provisions of this Addendum, and is binding upon the Employer regardless of a change of entity, name, or association.

F. The Employer may delegate to its workers' compensation insurance carrier the performance of its obligations under this Addendum, but it cannot relieve itself of the legal responsibility for those obligations.

G. On projects where the owner, developer or general contractor supplies project wrap-up insurance that includes workers' compensation coverage, the Employer may suspend this Addendum for work on that specific project.

H. This Addendum must remain in effect for the term of the CBA presently in effect, except as provided by this Addendum. At any time, the Union may terminate this Addendum by giving the Employer and the Trust one hundred and eighty (180) days written notice, and the Employer may terminate this Addendum by giving the Union and the Trust ninety (90) days written notice.

I. Should the Employer, for any reason, cease to be covered by this Addendum, it shall take all steps necessary to ensure that its obligations under California Workers' Compensation Law are met with respect to all Employees previously covered by this Addendum.

ARTICLE IV: WORKERS' COMPENSATION TRUST

A. This Addendum hereby provides for the establishment, maintenance and administration of a joint labor-management trust known as the BASIC CRAFTS WORKERS COMPENSATION

BENEFITS TRUST FUND ("Trust"). The general purpose of the Trust is to hold funds in trust which will be used to achieve the purposes of this Addendum. This includes establishing a Trust Fund, administering the Alternative Dispute Prevention And Resolution System, retaining and directing an Ombudsman, and ensuring that **the Basic Crafts Safety Group of Employers for Workers' Compensation Insurance** is established in compliance with California Insurance Code §§ 11656.6 and 11656.7 and California Labor Code § 3201.5. The structure, purposes, duties and powers of the Trust shall be specifically set forth in the Trust Agreement for the Basic Crafts Workers' Compensation Trust Fund ("Trust Agreement").

B. The Employer hereby adopts and agrees to be bound by the terms of the Trust Agreement, and further agrees to observe and be bound by the actions and determinations of the Board of Trustees ("Trustees") of the Trust.

C. The Employer shall contribute to the Trust the sum of seven cents (\$.07) per hour for each hour worked, or paid for, by Employees performing work covered by this Addendum for the purposes of defraying costs and administering the Trust.

1. If the Employer is signatory to a CBA that uses "benefit units" to calculate contributions for union dues or to trust funds, the amount of contributions to the Trust must be calculated by converting the "benefit units" to "hours" on a one-to-one basis. This conversion is not intended for any purpose other than the efficient calculation of contributions to the Fund.

2. The Trust shall devise a rate of contribution designed for Employers under a CBA using a "percentage" basis to calculate contributions for union dues or trust funds that is equitably equivalent in amount to the hourly basis. In the meantime, such Employers shall use the hourly rate for contributions.

3. The Trustees may, from time to time, waive a portion of the contribution provided in this Addendum, subject to the Trust Agreement.

D. In case the auditors for the Trustees conduct an audit and determine that the Employer has violated the provisions of this Article for hours worked (or paid for), in its method of computation of contributions, or if adequate records are not made available to allow the auditor to make a determination in that regard, or if hours worked for each payroll period are not recorded on payroll records, the following formulas will apply: For the first violation, the following formula will apply only to the Employees involved. For subsequent violations, the following formula will apply to the entire Carpenters, Laborers, and Operating Engineers payroll.

E. The gross compensation of the Employee paid or payable by reason of his work must be divided by the base rate, i.e., the lowest hourly contract wage rate, including any differentials, for any classification in which the Employee worked during the report periods involved in the audit, and the quotient from that calculation must be multiplied by the applicable rate of workers' compensation contributions. The resulting sum is owing to and must be paid to the Trust. For purposes of this provision, the said quotient will be deemed to be the number of hours worked by the Employee during the report periods involved in the audit.

F. Every Employer who is audited and whom the Trustees conclude that contributions to the Trust have not been computed or made by it in the manner required by Paragraphs D and E will be liable

for the expense of the audit in addition to any other liability set forth under this Article or the Trust Agreement.

G. If the Employer is delinquent in making contributions or fails to comply with an audit request within ten days after written notice is sent, via Registered Mail or Certified Mail -- Return Receipt Requested by the Trust, the Union may withhold service from the Employer until such payments are made or compliance with the audit request has occurred.

ARTICLE V: EMPLOYERS' SAFETY GROUP

A. The Employer shall join the **Basic Crafts Safety Group of Employers for Workers' Compensation Insurance ("Safety Group")**, established pursuant to California Insurance Code §§ 11656.6 and 11656.7 and California Labor Code § 3201.5, secure its workers' compensation coverage from the insurance carrier affiliated with the Safety Group to abide by the By Laws of the Safety Group.

B. The Employer may choose to be exempt from this Article if it develops or projects an annual workers' compensation insurance premium in California of \$250,000 or more, or paid an annual workers' compensation insurance premium in California of \$250,000 in at least one of the previous three years, and if it also satisfies all other requirements for eligibility.

ARTICLE VI: MEDICAL PROVIDERS

A. All medical treatment required to be provided by the Employer under Workers' Compensation Law shall be selected by the Employee from the Exclusive List of Medical Providers.

B. The Trust shall agree to the Exclusive List of Medical Providers under the provisions of the Trust Agreement and promulgate it appropriately. The Exclusive List may be changed at any time by the Trust.

C. The Exclusive List of Medical Providers must include the following specialties: Cardiology, Chiropractic, Dermatology, Ears, Nose, Throat, General Practice, General Surgery, Internal Medicine, Orthopedics, Neurology, Neurosurgery, Occupational Medicine, Oncology, Ophthalmology, Osteopathic Medicine, Prescription Medicine, Psychiatry, Psychology, Pulmonary/Respiratory, Radiology and Rheumatology. In any event, the Exclusive List must contain sufficient providers to respond to the medical treatment needs of Employees.

D. With the intent of making the Exclusive List of Medical Providers function fairly, efficiently and economically, and in recognition that the Exclusive List necessarily limits Employees:

1. In case of emergency when no authorized provider is available, the Employee may seek medical treatment from another health care professional during the emergency that is reasonable and necessary. The Employee shall transfer the treatment to an authorized provider as soon as reasonably possible, consistent with sound medical practices.

2. If an authorized provider determines that consultation or treatment is necessary from a specialist that is not included on the Exclusive List, the Employer and Employee shall

first use all best efforts to agree to such specialist, and failing an agreement, the Employer shall select an appropriate specialist who offers treatment at a practical distance for the Employee.

3. If distance makes it unreasonable for the Employee to receive treatment from an authorized provider, the Employer and Employee shall first use all best efforts to agree to a provider, and failing an agreement, the Employer shall select an appropriate provider who offers treatment at a reasonable distance for the Employee.

4. The Trust has the authority to adopt reasonable rules of practice and procedure regarding use of the Exclusive List of Medical Providers, as long as such rules do not conflict with provisions of this Addendum.

E. The Employer is not liable for the cost of medical treatment furnished by anyone not authorized by this Addendum.

ARTICLE VII: ALTERNATIVE DISPUTE PREVENTION & RESOLUTION SYSTEM

A. GENERAL

1. The Alternative Dispute Prevention And Resolution System ("ADR") replaces all dispute resolution processes provided by Workers' Compensation Law, to the fullest extent permitted, except as provided by this Addendum.

a. All dispute resolution processes contained in the provisions of Workers' Compensation Law listed in Appendix 1 to this Addendum are not replaced by the ADR. Such dispute resolution processes are intended to work in conjunction with those provided by this Addendum.

2. Of the provisions of Workers' Compensation Law listed in Appendix 1, those identified below are hereby supplemented by giving the authority granted to a Workers' Compensation Judge or Referee, by either Workers' Compensation Law or its related administrative regulations, to an Arbitrator selected pursuant to this Addendum, to the extent the Arbitrator's authority is not inconsistent with any other authority regarding reconsideration or appeal. For example, the authority given a Workers' Compensation Judge in § 5813 to order a party to pay certain costs as a result of bad faith actions is now given by this Addendum to an Arbitrator selected pursuant to this Addendum. The intent of this provision is to give to an Arbitrator all authority held by a Workers' Compensation Judge or Referee.

a. The provisions listed in Appendix 1 hereby supplemented are §§ 4050, 4054, 4056, 4552, 4555, 4555.5, 4607, 4628, 4651.1 - 4651.3, 4754, 4903 - 4903.2, 4904 - 4909, 5100-5106, 5306, 5307.5, 5404, 5405.5, 5408, 5410 - 5410.1, 5500.5, 5500.6, 5506, 5706, 5707, 5800, 5801, 5802, 5813, 5814, 5814.5 and 6000-6002.

b. Additional dispute resolution processes of Workers Compensation Law may be supplemented by this Addendum, or the same processes, to a different effect.

3. If a conflict arises between the provisions of this Addendum and the dispute resolution processes of Workers' Compensation Law, including processes that are not replaced by this Addendum or that are supplemented by this Addendum, the provisions of this Addendum will take precedence to the fullest extent permitted by law.

4. The ADR replaces all dispute resolution processes contained in the California Code of Regulations that were issued pursuant to Workers' Compensation Law, to the extent such provisions conflict with this Addendum and to the fullest extent permitted by law, except as provided by this Addendum.

a. It is the intent of this Addendum to not replace 8 CCR § 10344 or 8 CCR § 10346, to the extent that not replacing those provisions furthers the scope of the lawful authority of arbitrators selected pursuant to this Addendum.

5. The ADR is not limited to the terms of this Article. The ADR includes the Article Qualified Medical Evaluators, all dispute resolution processes provided in this Addendum and all rules of practice and procedure promulgated in furtherance of the ADR.

6. If a conflict arises between the provisions of this Addendum and the dispute resolution processes contained in the California Code of Regulations issued pursuant to Workers' Compensation Law, the provisions of this Addendum take precedence to the fullest extent permitted by law.

7. With respect to the ADR, the Trust has the authority to adopt reasonable rules of practice and procedure, as long as such rules do not conflict with provisions of this Addendum.

8. Any workers' compensation claim subject to this Addendum that is filed with the Workers' Compensation Appeals Board shall immediately be removed by the Employee and placed in the ADR by contacting the Ombudsman as provided.

9. All parties and their representatives may contact the ADR Director regarding any of the Exclusive Lists, ADR Forms or rules of practice and procedure regarding the ADR or any portion of this Addendum. The ADR Director's name, address and telephone is provided in Appendix 2 to this Addendum.

10. In addition to any other duties and authority delegated to it by the Trust, the ADR Director has the authority to schedule and enforce the scheduling of Informal Conciliations and Arbitrations.

11. The Employee and Employer shall make all good faith efforts to expedite resolution of all matters, including the scheduling and direction of their employees and agents.

12. The Ombudsman's purpose is to prevent or limit disputes at the earliest possible time by aiding and counseling Employees regarding claims, complaints and inquires, including explaining to Employees when necessary the effect of the facts and law, which may at appropriate times include an element of mediation. The Ombudsman's duties include being available to respond to Employees before and after any formal action is taken by either the Employee or Employer and acting as a liaison between the Employee and the Employer's insurance carrier. The

Ombudsman shall be competent in relevant matters regarding this Addendum and legal and medical matters of Workers' Compensation Law, along with having reasonable knowledge about the crafts in which Employees work.

- a. The Ombudsman is provided at no cost to employees.
- b. All statements by the Employee to the Ombudsman are confidential.
- c. The Trust shall retain and compensate the Ombudsman, or more than one if it determines that is necessary, and determine its qualifications, purposes, duties and powers.
- d. It is the intent of the Addendum, Ombudsman, Trust Agreement and Trustees that the Ombudsman shall not be the attorney, lawyer or legal representative of any Employee.

B. PROCEDURE

1. The Employee must notify the Employer of all work related injuries within thirty days after the occurrence of the injury, as provided by Workers' Compensation Law.
2. When the Employer provides the Employee with the claim form and notice of eligibility required by Workers' Compensation Law, it shall concurrently provide the Employee any other documents that may be required by the Trust. Section 5401 of Workers' Compensation Law is hereby supplemented accordingly.
3. When the Employer denies, reduces or terminates compensation to an Employee, in addition to any notices and forms required by Workers' Compensation Law, the Employer shall provide Written Notice ("Notice") to the Employee of such action within fifteen days. The Notice must include a summary of the Employer's reason for the action, in terms which are readily understandable by the Employee.
4. After an Employee receives a Notice, or after an Employee believes for any reason that he or she is not receiving the entitled compensation, the Employee shall, within twenty days, notify the Ombudsman and attempt to resolve the matter, if the Employee disputes the Employer's action or inaction. This action is in addition to any documents the Employee must file with the Employer.
 - a. The Employee shall provide the Ombudsman a copy of the Notice, if one was issued, and all other documents and information relevant to the belief that he or she is not receiving the entitled compensation.
 - b. The Employer shall provide, at its expense, the Ombudsman with all requested documents and information relevant to the matter.

c. The Ombudsman is not responsible for timely completing or filing ADR Forms or other documents for the Employee; it is the Employee's responsibility. If requested, however, the Ombudsman may help the Employee.

d. The Ombudsman shall not discuss matters regarding the Employee's claims, complaints or inquires with any attorney representing the Employee.

e. The Ombudsman shall provide the Employee with a final response as soon as reasonably possible under the circumstances involved.

5. If the Employee is not satisfied with the Ombudsman's final response, the Employee may proceed to Informal Conciliation by filing a Workers' Compensation Grievance ("Grievance") with the ADR Director within ten days after receiving the Ombudsman's final response. The purpose of the Informal Conciliation is to seek a negotiated resolution of the dispute.

a. The ADR Director shall schedule and hold an Informal Conciliation between the Employee and Employer, and provide notice of the scheduled date.

b. If requested by the Employee, the Ombudsmen shall aid and counsel the Employee at Informal Conciliation, including explaining, when necessary, the effect of the facts and law. The Ombudsman may, in any event, attend Informal Conciliation.

6. If following Informal Conciliation the Employee is not satisfied, the Employee may proceed to Arbitration by filing an Arbitration Request with the ADR Director within twenty days.

a. Once an Employee files an Arbitration Request, the Ombudsman shall not aid or counsel the Employee regarding the issues covered in that Request. It becomes the Employee's duty at such time to retain any desired legal representation.

b. The ADR Director shall schedule the Arbitration as soon as possible, but shall allow a reasonable time for the preparation of cases.

7. Arbitration will be conducted pursuant to rules adopted by the Trust and by utilizing arbitrators selected by the parties using a method adopted by the Trust. The Employee and Employer shall make every effort to arbitrate disputes as quickly, efficiently and economically as possible.

a. No written or oral offer of resolution, or statement made in pursuit thereof, is admissible evidence in the Arbitration proceeding. The Arbitrator has no jurisdiction to order otherwise. This provision cannot be waived.

b. No statement to the Ombudsman by the Employee, Union, Employer, Medical Provider, Rehabilitation Provider or Medical Evaluator, or statement by the Ombudsman to any of the foregoing, is admissible evidence in the Arbitration proceeding. The parties shall not make any such offer of evidence or seek any order to the contrary; the Arbitrator has no jurisdiction to order otherwise. This provision cannot be waived.

c. The retention, scheduling and cost of interpreters will be pursuant to Workers' Compensation Law.

d. Arbitrator's authority and duties:

(1) The Arbitrator shall not add to, subtract from, change or modify any provisions of this Addendum.

(2) The Arbitrator shall render a decision within thirty days.

(3) The findings of fact, award, order or decision of the Arbitrator are final, except that it is subject to reconsideration and appeal to the extent provided by California Labor Code § 3201.5(a)(1).

(4) Since all findings of fact, awards, orders and decisions of the Arbitrator are subject to reconsideration and appeal, they must be in conformance with the relevant law.

(5) If a conflict arises between this Addendum's provisions and Workers' Compensation Law, including the provisions that are not replaced or supplemented by this Addendum, and including the dispute resolution processes contained in the California Code of Regulations issued pursuant to Workers' Compensation Law, the Addendum's provisions take precedence to the fullest extent permitted by law.

8. All settlements, including any agreements known as settlements, compromises or releases, must be approved by an Arbitrator selected by the ADR Director in the following situations:

a. The settlement occurs after the Employee files a Grievance, or

b. The settlement involves the issue of permanent disability.

9. All parties involved in the ADR have the right to retain legal representation at their own expense.

10. In addition to any other requirements of Workers' Compensation Law regarding filing and serving liens, all lien claimants shall concurrently file a copy of all liens and related documents with the ADR Director.

11. Reconsideration and Appeal:

a. The Trust is not responsible for any costs incurred by either party regarding Reconsideration or Appeal. If the Trust incurs any costs as a result of Reconsideration or Appeal, other than for any action it may take pursuant to Article XI, Paragraph C, the petitioner or appellant causing such costs shall reimburse the Trust for those costs.

b. No written or oral offer of dispute resolution, or statement made in pursuit thereof, can be offered as evidence on Reconsideration or Appeal. This provision cannot be waived.

c. No statement to the Ombudsman by the Employee, Union, Employer, Medical Provider, Rehabilitation Provider or Medical Evaluator, or statement by the Ombudsman to any of the foregoing, can be offered as evidence on Reconsideration or Appeal. This provision cannot be waived.

ARTICLE VIII: QUALIFIED MEDICAL EVALUATORS

A. All qualified medical evaluators ("QME") shall be selected, by the party using the evaluator, from the Exclusive List of Medical Evaluators.

B. The Trust shall agree to the Exclusive List of Medical Evaluators under the provisions of the Trust Agreement and promulgate it appropriately.

1. The Exclusive List of Medical Evaluators is the May 3, 1995 Official Qualified Medical Evaluators List promulgated by the Department of Industrial Relations, Industrial Medical Council ("Medical Council"), as that list may be amended from time to time by the Medical Council, and with the following limitation: it is limited to QME's in the counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Sonoma, Solano, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba, as reflected in the Medical Council's list.

2. The Exclusive List may be changed at any time by the Trust.

C. Each party may select one QME from the Exclusive List of Medical Evaluators to conduct a comprehensive medical evaluation which must address all medical issues in dispute.

D. No party may obtain more than one evaluation, except that where an additional evaluation is reasonably necessary to address a specialty, the party needing the additional QME shall select it from the Exclusive List and that QME is limited to addressing only that specialty.

E. The parties may agree to an Agreed Medical Evaluator ("AME") regarding any issues in dispute.

F. When an Employee is receiving compensation and the Employer requests an examination pursuant to California Labor Code § 4050, no examination will be deemed an evaluation for purposes of this Article, unless compensation is reduced or terminated as a result of such examination, whereupon the examination will be deemed an evaluation by a QME for purposes of this Article; however, in the latter situation, the Employer will not have violated the limit on one evaluation from a QME even if the Employer previously obtained such an evaluation.

G. The evaluation and opinion of the authorized medical provider, or providers if there is more than one, is admissible evidence at Arbitration at the request of any party, regardless of whether the requesting party also seeks admission of evidence from a QME or AME.

H. The Employer is not liable for the cost of medical evaluations furnished by anyone not authorized by this Addendum.

ARTICLE IX: VOCATIONAL REHABILITATION & RETRAINING PROVIDERS

A. All vocational rehabilitation and retraining providers required to be provided by the Employer under Workers' Compensation Law shall be selected by the Employee from the Exclusive List of Rehabilitation and Retraining Providers.

B. The Trust shall agree to the Exclusive List of Rehabilitation and Retraining Providers under the provisions of the Trust Agreement and promulgate it appropriately. The Exclusive List may be changed at any time by the Trust.

C. The Employer is not liable for the cost of vocational rehabilitation or retraining furnished by anyone not authorized by this Addendum.

D. With respect to vocational rehabilitation and retraining, the Trust has the authority to adopt reasonable rules of practice and procedure regarding selection of providers from the Exclusive List, as long as such rules do not conflict with provisions of this Addendum.

ARTICLE X: ADDITIONAL DISPUTE RESOLUTION RULES

A. All disputes concerning the interpretation or application of this Addendum must be submitted for resolution as provided in this Addendum.

1. If such dispute arises within the dispute resolution processes of the ADR, including Appendix 1 to this Addendum, or such dispute is susceptible to resolution by those processes, it must be submitted for resolution according to the ADR.

2. Paragraphs A and A.1 do not include disputes that may concern the interpretation or application of this Addendum when they arise in the following circumstances: by deadlock of the Trustees as provided in Article VIII of the Trust Agreement; those regarding Trust contributions as provided in Articles II and IV of the Trust Agreement; or those regarding Trust contributions as provided in Article IV of this Addendum.

B. The CBA is amended to the extent necessary that all disputes concerning the interpretation or application of this Addendum will be submitted to resolution as provided by this Addendum and the Trust Agreement. The ADR in this Addendum is intended to operate separate and distinct from any grievance or arbitration procedures contained in the CBA.

C. Any dispute with an Employee regarding compensation that could otherwise be brought before the Workers' Compensation Appeals Board by the Employer shall be submitted for resolution within the ADR, with the following modifications:

1. The Employer shall not bring the dispute to the Ombudsman.
2. The Employer shall provide sufficient written notice to the Employee of the dispute and any action that it intends to take.
3. The Employer shall give adequate time to the Employee to seek resolution via the Ombudsman. If resolution is not reached, the Employer has the burden of moving the dispute toward resolution according to the ADR.
4. With respect to the Employer bringing matters within the ADR, the Trust has the authority to adopt reasonable rules of practice and procedure, as long as such rules do not conflict with provisions of this Addendum.

D. Should any party seek to have a court of law confirm or vacate any award, order or decision resulting from an arbitration provided for by this Addendum, such action shall be brought in a state court of competent jurisdiction located in San Francisco County.

E. In any civil or arbitral proceeding involving the terms of this Addendum, no statement to the Ombudsman by the Employee, or statement by the Ombudsman to the Employee, can be offered as evidence and the parties shall not make any such offer or seek any order to the contrary, except that the Ombudsman may offer such evidence in defense of a claim brought against it by an Employee.

ARTICLE XI: GENERAL PROVISIONS

A. The Employer and Union shall cooperate to the fullest extent with the Trust and Safety Group to maintain compliance with all applicable laws.

B. If any provision of this Addendum or its application to any person or circumstance is held invalid, the invalidity will not affect other provisions or applications of this Addendum that can be given effect without the invalid provision or application, and to this end the provisions of this Addendum are declared to be severable.

C. In order to protect the jurisdiction, authority and power granted by California Labor Code § 3201.5, the Trust may take any legal action that it deems useful before any administrative or judicial body, including but not limited to, lawsuit, petition, intervention, injunction, amicus curie and writ.

D. This Addendum and any amendments may be executed in counterpart.

APPENDIX 1

In accordance with Article VII, Paragraph A.1. of the Addendum, the dispute resolution processes contained in the provisions of Workers' Compensation Law listed in this Appendix are not replaced by the Alternative Dispute Prevention And Resolution System. The headings provided below are not intended to govern, limit, modify or effect the scope, meaning or intent of the dispute resolution process or its not being replaced.

PART 1, CHAPTER 2: GENERAL PROVISIONS

- 3202 Liberal Construction.
- 3202.5 No Relief From Meeting Burden of Proof.
- 3208.3 Psychiatric Injury; Determination of Compensability.

PART 1 CHAPTER 3: CONDITIONS OF COMPENSATION LIABILITY

- 3600 Compensation Liability; Requirements.
- 3600.8 Alternative Commute Program; Acting Within Course of Employment.
- 3601 Compensation Exclusive Remedy; Action Against Employees.
- 3602 Concurrence of Conditions of Compensation; Compensation Exclusive Remedy Against Employers.

PART 1, CHAPTER 4: COMPENSATION INSURANCE AND SECURITY

- 3706 Actions at Law Against Employer For Failure to Secure Compensation.
- 3707 Attachment of Employer's Property.
- 3708 Presumption of Employer's Negligence.
- 3708.5 Employee to Send Complaint to Uninsured Employer's Fund.
- 3709 Judgment in Excess of Compensation.
- 3709.5 Satisfaction by Employer of Attorney's Fees.
- 3715 Uninsured Employer; Appeals Board Application In Lieu of Civil Action.
- 3820 Misrepresentations; Penalties.

PART 1, CHAPTER 5: SUBROGATION OF EMPLOYER

- 3850 - 3865 Subrogation of Employer.

PART 1, CHAPTER 7: MEDICAL EXAMINATIONS

- 4050 Employee's Medical Examination.
- 4051 Time and Place for Medical Examination.
- 4052 Employee's Physician at Examination.
- 4053 Refusal of Examination; Compensation.
- 4054 Refusal of Examination; Disability Payments.
- 4055 Testimony as to the Results.
- 4055.2 Subpoena of Medical Records.
- 4056 Refusal of Medical Treatment.
- 4060(b) Liability for Medical-Legal Evaluation.

PART 1, CHAPTER 11: ASBESTOS WORKERS' ACCOUNT

- 4401 - 4418 Asbestos Workers' Account: Definitions; Conditions; Benefits; Collections.

PART 2, CHAPTER 2: COMPENSATION SCHEDULES

- 4551 Employee Misconduct; Compensation Reduction.
- 4552 Compensation Reduction.
- 4553 Employer Misconduct; Compensation Increase.
- 4553.1 Employer Misconduct; Required Findings.
- 4554 Failure to Secure Payment of Compensation; Penalty.
- 4555 Failure to Secure Payment of Compensation; Attorney's Fee.
- 4555.5 Petition for Award Reduction Denied.
- 4558 Action at Law for Certain Injury With Power Presses.
- 4607 Proceedings to Terminate Award; Attorney's Fees.
- 4628 Medical-Legal Reports.
- 4651.1 Temporary Disability; Rebuttable Presumption of Continuance.
- 4651.2 No Petitions Granted.
- 4651.3 Denial of Petition; Attorney's Fees.
- 4750 Combined Disability; No Compensation.
- 4750.5 Subsequent Unrelated Injury; No Compensation.
- 4751 Combined Permanent Disability; Additional Compensation.
- 4753 Additional Compensation; Reductions.
- 4754 Additional Compensation; Award and Payment.

PART 3, CHAPTER 1: PAYMENT AND ASSIGNMENT

- 4903 Allowable Liens.
- 4903.1 Comprise of Claims; Reimbursement of Benefits Paid
- 4903.2 Conditions for Awarding Attorney's Fees.
- 4904 Lien for Unemployment Benefits.
- 4904.1 Injured Employee Paid Balance of Award.
- 4905 Award of Lien Without Request.
- 4906 Attorney's Fees; Reasonable Amount.
- 4907 Privilege to Appear; Denial.
- 4908 Priority of Compensation Claim.
- 4909 Payment of Benefits Not Admission of Liability.

PART 3, CHAPTER 2: COMPROMISE AND RELEASE

- 5003 Contents of Agreement to Compromise and Release.
- 5004 Contents of Agreement to Compromise and Release in Death Case.

PART 3, CHAPTER 3: LUMP SUM PAYMENTS

- 5100 Lump Sum Payments; Conditions.
- 5100.5 Lump Sum Prohibited
- 5100.6 Rehabilitation Benefits; No Commutation or Settlement.
- 5101 Amount of Lump Sum; Determination.
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- 5103 Payment of Deposited Lump Sum by Trustee.
- 5104 Appointment of Trustee.
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- 5303 Causes of Action; Joinder.
- 5306 Proceedings Against Employer's Estate.
- 5307.5 Appointment of Trustee or Guardian Ad Litem.

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- 5400 Notice to Employer.
- 5401 Notice to Employee; Claim Form and Filing Requirement.
- 5401.7 Form Contents.
- 5402 Employer's Knowledge of Injury.
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- 5407.5 Reduction of Compensation for Misconduct.
- 5408 Appointment of Guardian.
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- 5410 New and Further Disability.
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- 5411 Date of Injury.
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PART 4, CHAPTER 3: APPLICATIONS AND ANSWERS

- 5500.5 Liability Period for Occupational Injury & Cumulative Injury; Limitations.
- 5500.6 Employers Liability for Occupational Injury & Cumulative Injury.

PART 4, CHAPTER 4: ATTACHMENTS

- 5600 - 5603 Writs of Attachment.

PART 4, CHAPTER 5: HEARINGS

- 5705 Burden of Proof; Affirmative Defenses.
- 5706 Autopsy Report.
- 5707 Refusal to Allow Autopsy; Presumption.

PART 4, CHAPTER 6: FINDINGS AND AWARDS

- 5800 Interest on Awards.
- 5801 Amount and Manner of Compensation; Attorney's Fees.
- 5802 Award for Future Disability.
- 5813 Award for Additional Expenses for Bad Faith Actions.
- 5814 Unreasonable Delay in Payment; Penalty.
- 5814.5 Unreasonable Delay in Payment; Attorneys' Fees.

PART 4, CHAPTER 7: RECONSIDERATION AND JUDICIAL REVIEW

- 6000 - 6002 Undertaking on Stay Order.

APPENDIX 2

Add Name and address of
Ombudsman

Executive Director
Basic Crafts Safety Group of Employers for Workers' Compensation Insurance
[add address]

Basic Crafts Workers' Compensation Benefits Trust Fund
[add address]

SIGNATURE PAGE

FOR THE UNION:

By: _____
Signature of Authorized Union Representative

Date Signed: _____

FOR THE EMPLOYER:

Contractor or Firm Name
(Print exactly as listed with State License Board)

Street Address: _____

City State Zip Code

Contractor's License Number _____

By signing and checking the box(es) below Employer agrees that this Addendum applies to its Collective Bargaining Agreements with the following Unions:

- _____
NORTHERN CALIFORNIA DISTRICT COUNCIL OF LABORERS
- _____
CARPENTERS REGIONAL COUNCIL
- _____
OPERATING ENGINEERS LOCAL UNION NO. 3

Print Name and Title of Person Signing This Addendum

Date Signed: _____

Date Insurance Coverage Starts: _____

**OVERVIEW OF THE
ALTERNATIVE DISPUTE PREVENTION AND RESOLUTION SYSTEM**

The Alternative Dispute Prevention And Resolution System is a new procedure that you and your employer must use for workers' compensation problems and disputes.

It basically consists of an Ombudsman, Informal Conciliation and Arbitration. The Ombudsman's role is explained more in the enclosed Overview. The procedure's details are fully set out in the Addendum and the Rules of Practice and Procedure; you should refer to them if a workers' compensation matter arises.

OUTLINE

1. Notify the employer of all injuries. The employer (or its insurance company) must notify you if it denies, reduces or terminates compensation.
2. If a problem develops with any form of compensation, including medical treatment, contact the Ombudsman and try to resolve it.
 - * The Ombudsman's toll free number is _____.
3. If you are not satisfied with the Ombudsman's response, you may proceed to Informal Conciliation by filing a Workers' Compensation Grievance within 10 days.
 - * Obtain a Grievance form from the Union, Ombudsman or Director of the Alternative Dispute Prevention and Resolution System.
 - * The purpose of Informal Conciliation is to seek a resolution of the developing dispute.
 - * If requested, the Ombudsmen will aid and counsel you.
4. If you are not satisfied with Informal Conciliation, you may proceed to Arbitration by filing an Arbitration Request within 20 days.
 - * Obtain a Request form from the Union or Director of the Alternative Dispute Prevention and Resolution System.
 - * Once you file for Arbitration, the Ombudsman will no longer help; after that, it is your duty to hire an attorney for any desired legal representation.

At any relevant time:

1. The problem can be resolved by agreement or formal settlement.
2. A medical evaluator may be retained by you and/or the insurance company.
3. You may hire an attorney to represent you. (Give the attorney this Packet.)

OVERVIEW OF THE WORKERS' COMPENSATION ADDENDUM

This provides only a very short summary, but works in conjunction with the other enclosed Overviews of particular features. You should refer to the Addendum if an actual workers' compensation question arises.

ADDENDUM'S PURPOSES

1. To provide Carpenters claiming compensable injuries with improved access to high-quality medical treatment and prompt compensation;
2. reduce the number and severity of disputes;
3. provide a better method to resolve disputes that occur;
4. provide workers' compensation coverage in a way that improves labor management relationships, job security and organizational effectiveness; and
5. achieve this on a long-term basis.

ADDENDUM'S SCOPE

The Addendum covers only Carpenters employed by employers that sign the Addendum. The program is limited to construction employers signed to a Carpenter's contract.

WORKERS' COMPENSATION TRUST

The Addendum establishes a labor-management Trust Fund.

MEDICAL PROVIDERS, VOCATIONAL REHABILITATION PROVIDERS & MEDICAL EVALUATORS

All medical treatment and vocational rehabilitation must be selected by injured Carpenters from exclusive lists of providers. If a dispute arises that requires additional medical evaluation, all medical evaluators must be selected from another exclusive List. The Addendum provides the relevant rules for all lists.

ALTERNATIVE DISPUTE PREVENTION AND RESOLUTION SYSTEM

The Addendum establishes the Alternative Dispute Prevention And Resolution System. This is a new dispute resolution process that must be used by you and your employer to resolve problems and disputes. The enclosed Overviews for the System and ombudsman further explain this feature.

OVERVIEW OF THE WORKERS' COMPENSATION ADDENDUM

This provides only a very short summary, but works in conjunction with the other enclosed Overviews of particular features. You should refer to the Addendum if an actual workers' compensation question arises.

ADDENDUM'S PURPOSES

1. To provide Operating Engineers claiming compensable injuries with improved access to high-quality medical treatment and prompt compensation;
2. reduce the number and severity of disputes;
3. provide a better method to resolve disputes that occur;
4. provide workers' compensation coverage in a way that improves labor management relationships, job security and organizational effectiveness; and
5. achieve this on a long-term basis.

ADDENDUM'S SCOPE

The Addendum covers only Operating Engineers employed by employers that sign the Addendum. The program is limited to construction employers signed to an Operating Engineers' contract.

WORKERS' COMPENSATION TRUST

The Addendum establishes a labor-management Trust Fund.

MEDICAL PROVIDERS, VOCATIONAL REHABILITATION PROVIDERS & MEDICAL EVALUATORS

All medical treatment and vocational rehabilitation must be selected by injured Operating Engineers from exclusive lists of providers. If a dispute arises that requires additional medical evaluation, all medical evaluators must be selected from another exclusive List. The Addendum provides the relevant rules for all lists.

ALTERNATIVE DISPUTE PREVENTION AND RESOLUTION SYSTEM

The Addendum establishes the Alternative Dispute Prevention And Resolution System. This is a new dispute resolution process that must be used by you and your employer to resolve problems and disputes. The enclosed Overviews for the System and ombudsman further explain this feature.

OVERVIEW OF THE WORKERS' COMPENSATION ADDENDUM

This provides only a very short summary, but works in conjunction with the other enclosed Overviews of particular features. You should refer to the Addendum if an actual workers' compensation question arises.

ADDENDUM'S PURPOSES

1. To provide Laborers claiming compensable injuries with improved access to high-quality medical treatment and prompt compensation;
2. reduce the number and severity of disputes;
3. provide a better method to resolve disputes that occur;
4. provide workers' compensation coverage in a way that improves labor management relationships, job security and organizational effectiveness; and
5. achieve this on a long-term basis.

ADDENDUM'S SCOPE

The Addendum covers only Laborers employed by employers that sign the Addendum. The program is limited to construction employers signed to a Laborers' contract.

WORKERS' COMPENSATION TRUST

The Addendum establishes a labor-management Trust Fund.

MEDICAL PROVIDERS, VOCATIONAL REHABILITATION PROVIDERS & MEDICAL EVALUATORS

All medical treatment and vocational rehabilitation must be selected by injured Laborers from exclusive lists of providers. If a dispute arises that requires additional medical evaluation, all medical evaluators must be selected from another exclusive List. The Addendum provides the relevant rules for all lists.

ALTERNATIVE DISPUTE PREVENTION AND RESOLUTION SYSTEM

The Addendum establishes the Alternative Dispute Prevention And Resolution System. This is a new dispute resolution process that must be used by you and your employer to resolve problems and disputes. The enclosed Overviews for the System and ombudsman further explain this feature.

OVERVIEW OF THE EXCLUSIVE LIST OF MEDICAL PROVIDERS

The term "medical providers" refers to the hospitals, facilities, doctors and others that provide medical treatment for injuries.

WHAT THE LIST MEANS

When you need medical treatment for a work injury, you must select all medical providers from this Exclusive List.

For example, if you are injured at work and need medical attention, you then select the appropriate medical provider from the Exclusive List of Medical Providers.

Selection from the Exclusive List is completely up to you. The insurance carrier or ombudsman can help you make a selection if you ask, but it is your responsibility and choice. Neither the employer or insurance company can force you to go to a particular medical provider.

Part 1 consists of Initial Treatment Providers and includes over 600 medical providers located in 46 counties of California. Part 2 contains the Medical Treatment Specialties and includes over 11,000 specialists from almost 140 fields of medicine. Part 1 is enclosed in this Employee Packet, while Part 2 can be obtained from the ADR Director, Ombudsman or insurance company when you need it.

RULES ABOUT SELECTING MEDICAL PROVIDERS

Article VI of the Workers' Compensation Addendum provides rules about selecting medical providers. For example:

1. In an emergency when no Medical Provider from the Exclusive List is available, you may seek treatment from another medical provider during the emergency that is reasonable and necessary. However, treatment must be transferred to a medical provider from the Exclusive List as soon as possible, consistent with sound medical practice.
2. The insurance company does not have to pay for treatment you receive from a medical provider that is not on the Exclusive List of Medical Providers. ("For example, if you get treatment from a doctor that is not on the Exclusive List, and the Addendum does not permit you to, then the insurer will not have to pay for that treatment; the doctor may then want to sue you to get paid.)

OVERVIEW OF THE OMBUDSMAN'S ROLE

The Ombudsman's purpose is to prevent or limit disputes at the earliest possible time by aiding and counseling you regarding workers' compensation claims, complaints and inquiries. The ombudsman is skilled in all workers' compensation matters and hired by the Trust at no cost to you.

Contact the Ombudsman by calling _____. Ask for the "Ombudsman from the Basic Crafts Workers Compensation Benefits Trust Fund."

SUMMARY OF THE OMBUDSMAN'S ROLE

1. Aid and counsel you regarding your claims, complaints and inquiries.
2. Explain to you the effect of the facts and law, such as telling you what realistic options you have in your situation.
3. Be a liaison between you and the insurance company.
4. Attend Informal Conciliation with you, if you request.
5. Help prevent or limit disputes before they grow into expensive litigation.

LIMITS TO THE OMBUDSMAN'S ROLE

1. The Ombudsman is not your legal representative, which means the ombudsman is not your personal attorney.
2. The Ombudsman will not continue in the process after you file an Arbitration Request; you may want to then hire an attorney for arbitration.
3. The Ombudsman will not discuss your situation with an attorney that you hire at any time.

CONFIDENTIAL COMMUNICATIONS

Your statements to the Ombudsman are confidential and no statement made to or by the Ombudsman, regarding anyone, is admissible evidence at arbitration.

BENEFITS OF THE OMBUDSMAN

1. You now have a new option with workers' compensation problems: using the Ombudsman's skill and power instead of needing to pay an attorney (at least before you file for arbitration). It does not matter if the issue is small or large, the Ombudsman will help to resolve it.
2. Less chance of small problems growing into big problems; more chance of problems and disputes being resolved faster and cheaper for you.