

## CALIFORNIA CONSTRUCTION INSURANCE FUND

### ADDENDUM TO ADOPTION AGREEMENT OF EMPLOYER ALLOWING EMPLOYEES TO WAIVE COVERAGE

This Addendum is made to the Adoption Agreement between \_\_\_\_\_ ("Participating Employer") and the California Construction Insurance Trust ("Trust Fund") signed by the Participating Employer on \_\_\_\_\_, 20\_\_.

Employees who perform work on prevailing wage jobs only are not permitted to waive coverage.

As set forth in the Adoption Agreement, the Participating Employer has elected not to contribute to the Trust Fund for office, salaried and non-field construction staff, and/or hourly field construction staff who perform work on private works who waive coverage. The Adoption Agreement requires the Participating Employer to agree to the terms of this Addendum.

The Participating Employer will contribute to the Trust Fund for all employees except those who waive coverage in writing by signing the Trust Fund's declination of coverage form and attests for qualified reasons for declination. In the event that the Trust Fund reviews the payroll records of the Participating Employer, all declination of coverage forms must be presented to the Trust Fund auditor for review. It is the responsibility of the Participating Employer to maintain copies of these forms for no fewer than six (6) years after they are signed.

The Participating Employer must only allow office, salaried and non-field construction staff, and non-prevailing wage hourly field construction employees to decline coverage if:

- there are no health care providers under the specific benefit plan available to and selected by the employee within thirty (30) miles of the employee's residence;
- employee is enrolled under alternate coverage through his or her spouse; or
- the employee certifies that coverage is "not affordable." For purposes of this addendum, an employee may deem coverage to be "not affordable" only if the monthly premium cost to the employee for self only coverage exceeds 9.5 percent of his or her household income.

No other reasons for declination of coverage by employees are recognized by the Trust Fund. It is the responsibility of the Participating Employer to obtain written proof of or inaccessibility of benefits for employees declining coverage. The Participating Employer must also provide the Trust Fund auditor with copies of the proof of inaccessibility of benefits during any payroll record review.

It is the responsibility of the Participating Employer to immediately notify the Trust Fund of any change in status of hourly employees who have declined coverage. The Trust Fund has no obligation to communicate with the Participating Employer's employees about their alternate coverage or their declination of coverage. This is a responsibility of the Participating Employer.

The Participating Employer will fully defend, indemnify and save harmless the Trust Fund and its Trustees, employees and administrators against any and all loss, damage, liability, claim, demand or suit resulting from injury or harm to any person or property arising out of or in any way connected with the participation of the Participating Employer under this Addendum to the Adoption Agreement. Participating Employer's obligation hereunder is intended to include, but is not limited to, employment-related claims, statutory violations, breach of contract claims, claims for health and welfare and/or medical benefits of any type, resulting from any medical condition, illness, personal injury or injury to property.

The Participating Employer also agrees that any dispute arising under this Addendum, involving itself or any employee, will be submitted to arbitration. Any Participating Employer adversely affected by any action of the Trust Fund or its Trustees under this Addendum will be entitled, within sixty (60) days after being apprised of the Trustees' decision leading to such adverse action, to request the Trustees in writing to conduct a hearing. The Trustees will conduct a hearing which will entitle the Participating Employer, and any participating employee, dependent or beneficiary, to present his position against the adverse action. The Participating Employer, participating employee, beneficiary or dependent may be represented by an attorney or other individual designated. The Trustees will issue a written decision concerning their ruling following the hearing.

If the Participating Employer, the participating employee or a beneficiary or dependent remains dissatisfied with the written decision of the Trustees after the hearing, he shall be entitled to appeal the matter to arbitration in accordance with rules of the American Arbitration Association. Any request for arbitration must be submitted in writing to the Trustees within sixty (60) days of receipt of the written decision. The arbitrator will consider (1) whether the Trustees were in error upon any issue of law; (2) whether they acted arbitrarily or capriciously in the exercise of their discretion; or (3) whether their findings of fact were supported by substantial evidence. The decision of the arbitrator shall be final and binding upon all parties. The expenses of arbitration shall be borne equally by the parties. The location of any arbitration will be in San Diego, California.

The parties signatory to this Addendum to Adoption Agreement are as follows:

CALIFORNIA CONSTRUCTION  
INSURANCE TRUST

PARTICIPATING EMPLOYER

By: \_\_\_\_\_  
Authorized Representative

By: \_\_\_\_\_  
Authorized Representative

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_