

I.M.P.A.C.T.

Lobbying Guide to Workers Compensation Reform



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INSURANCE COMPANY

...the **Bright** Choice in Workers' Compensation

SeaBright Insurance Company is pleased to once again co-sponsor the publication of this Lobbying Guide to Workers' Compensation Reform. For union ironworkers and their signatory contractors, Collectively Bargained Workers' Compensation (CBWC) has proven very effective in enhancing safety and improving the responsiveness and efficiency with which medical and other benefits are delivered.

SeaBright is committed to promoting the expansion of CBWC for organized ironworkers and other unions throughout the United States. We are proud to be a leading provider of these programs and of the success we've helped our insured ironworkers achieve.

John G. Pasqualetto
President, Chairman and CEO
SeaBright Insurance Company

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Lobbying Guide to Workers Compensation Reform



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The IMPACT Trustees have made the development of an IMPACT Safety Insurance Program a priority for the Trust. The goal of this program is to dramatically reduce the number of accidents and injuries to iron workers that also raise our already high workers comp and general liability insurance premiums. Rising workers comp premiums have a devastating effect on the economic competitiveness of union contractors since the premiums in almost every state are based on the payroll of the contractor, not the hours of work.

In other words, union contractors who pay higher wages have high workers comp premiums than non-union contractors who pay lower wages.

In view of the workers compensation crisis, the need for Collectively Bargained Workers' Compensation Programs (CBWC) may be one of the methods to help improve the delivery of workers compensation benefits, reduce medical costs and make union contractors more competitive. IMPACT has developed this Lobbying Guide to help labor and management groups implement, administer and operate CBWC programs around the country.

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I. INTRODUCTION TO IMPACT

IMPACT is a labor-management nonprofit Trust formed under the Taft Hartley Act. The primary mission of IMPACT is to expand job opportunities for union Iron Workers and their signatory contractors.

IMPACT is administered by a Board of Trustees made up of an equal number of Employers and Iron Workers.

IMPACT'S office opened in April 2003. The Board of Trustees made the development of a Safety Insurance Program to reduce accidents and injuries in the ironworking industry and to lower the cost of workers comp and general liability insurance for union contractors the number one priority of the Trust.

IMPACT developed Labor-Management Task Forces to begin the huge task of developing a whole new approach to safety and insurance.

IMPACT Labor-Management Task Forces were formed to use the strengths and insights of both sides to address these issues.

By January 2005, IMPACT had unveiled a National Substance Abuse Policy for the ironworking industry. A comprehensive safety and health policy was developed. With the assistance of Richard Zampa, 1st Vice President of the Iron Workers and the California Collectively Bargained Workers Comp Program (CBWC), IMPACT developed direct alliances with major insurance carriers to write insurance policies under the IMPACT Safety Insurance Program. The IMPACT Safety Insurance Program is a blended, state-of-the-art program that consists of a:

Comprehensive Safety & Health Policy

IMPACT Drug Testing Policy

Industry Safety Experts for Initial Orientation & Training

Workers Comp & General Liability Coverage

Voluntary or Mandatory CBWC Depending on the State

Periodic Auditing & Inspections



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II. PURPOSE OF THE GUIDE

The IMPACT Collectively Bargained Workers Comp (CBWC) Guide for Labor and Management has been developed by funding provided to IMPACT from over 100 local Iron Worker unions and over 70 Signatory Contractor Associations (SCA's) and their thousands of contractor members.

IMPACT is committed to the promotion of Collectively Bargained Workers Comp Programs (CBWC) as one solution to reduce accidents and injuries in our industry and lower the high costs of Workers Comp insurance for union contractors. This process is also designed to improve the delivery of medical benefits to workers who have been injured on the job. This Guide was designed to assist local Iron Worker unions and their Signatory Contractor Associations and Contractors in developing or expanding CBWC Programs and to lobby against the discriminatory manner in which workers comp premiums are set in most states.

The Guide has three purposes:

1. To serve as a step by step “How To” guide for local Iron Worker unions and their SCA's and contractors to form a coalition to lobby their state legislatures for “Carve Out” legislation to permit the establishment of a CBWC Program in those states where it is not currently permitted. (See p. 15).
2. In those states where CBWC Programs are already permitted, this Guide is intended to assist labor and management in increasing the use of CBWC Programs by local Iron Worker unions, by Building Trade Councils, or on a project by project basis.
3. To call attention to the discriminatory way that Workers Comp insurance premiums favor contractors who pay lower wages.

IMPACT has developed this guide for local Iron Worker unions and their signatory contractors to take the lead in a nationwide effort to promote CBWC Programs. The overriding reason for this is that ***CBWC programs provide better medical treatment for injured workers and they help make union contractors more competitive.***

Craft workers need to know that Workers Comp insurance is the contractor's second highest cost behind only payroll and benefits and that these costs are directly affected by the frequency and severity of accidents.



In addition, many craft workers are also unaware how union contractors are already operating under a heavy disadvantage due to the way that Workers Comp insurance premiums are based. In almost every state, Workers Comp premiums are based on the payroll of the contractor, not the hours of work.

In other words, union contractors who pay higher wages have higher Workers Comp premiums than non-union contractors who pay lower wages. This blatant discrimination is having a devastating effect on the survival of union contractors.

Fortunately, IMPACT has had the advantage of having a very successful Iron Worker CBWC Program already in place; the California Collectively Bargained Workers Compensation Program. This Program was developed under the leadership of Iron Worker First Vice President Richard Zampa, David McEuen, President of California Erectors, Bay Area, and Michael Newington, Executive Vice President of the Western Steel Council. Both Zampa and McEuen are Trustees of IMPACT and have generously shared their experience and insights to help IMPACT develop this Guide.



III. WHAT IS A COLLECTIVELY BARGAINED WORKERS COMPENSATION PROGRAM (CBWC)?

After more than ten years of experience with Collectively Bargained Workers Compensation (CBWC) programs, there are still some misunderstandings as to exactly what they are. They are sometimes referred to as “Privatized Workers Compensation,” or ADR (Alternative Dispute Resolution) programs.

CBWC programs are a part of a state’s Workers Compensation system. In most respects they are identical to the state system, with only a few exceptions. All of the conditions for determining compensability, the types and minimum amounts of benefits, calculation of wages, the right to unlimited medical care, premium calculation and most other aspects of the law remain the same. The Workers Compensation state regulatory authority and the legislature still have control over the program, and the insurance regulatory agency still controls such things as premium rates, the insurance policy and the financial stability of the insurance carriers writing these programs.

A more accurate description is that CBWC programs are merely statutory programs for which the state has decided to recognize some of the strengths of the collective bargaining environment, and given labor and management the opportunity to use the collective bargaining process to customize small portions of the statutory Workers Compensation program. Virtually all aspects of the system remain the same. What changes are usually small portions of the medical delivery system, a possible increase in benefits, and a dispute prevention and resolution system that reflects the realities and advantages of the union working environment. CBWC programs are not a move to a privatized system.

It is equally inaccurate to call a CBWC an ADR system, because to do so puts all of the emphasis on the least important aspect of a system of this sort— dispute resolution. In a CBWC program, the emphasis is on improved delivery of high quality medical care, prompt and accurate payment of monetary benefits, and prevention of disputes. Most CBWC programs have very little utilization of actual dispute resolution procedures, because the other collectively bargained components of the system effectively reduce the number of disputes that actually arise. In fact, if all that a CBWC system accomplished were to move dispute resolution from the statutory system to an alternative system, it most likely would be considered a failure. However, ADR is often used to overcome the sometimes negative connotation of “collective bargaining” in some states.



CBWC Programs are sometimes referred to as “Carve Out” programs. They are alternative Workers Comp programs in which management and labor develop their own Workers Comp program and are “carved out” of the state program. These programs are only available in certain states (See p. 15). Legislation has to be enacted in each state to permit a CBWC Program.

CBWC Programs share the following common components:

1. Benefits for injured workers equal or exceed what is paid under the state program
2. Labor and management form an Oversight Committee to initiate, start up and administer the program.
3. The Oversight Committee appoints a Independent Case Management Nurse.
4. The Oversight Committee appoints a Program Administrator (Ombudsman).
5. The Oversight Committee selects a designated pool of doctors.
6. The Oversight Committee selects a Mediator for the program.
7. The Oversight Committee selects a Arbitrator for the program.



What benefits does a CBWC offer?

CBWC Programs change the whole adversarial climate of workers compensation cases and claim administration. The CBWC process requires the cooperative efforts of labor, management and the insurance carriers to provide injured workers with prompt benefits, the best medical care, reduced fraud, and a faster return to work.

For the Injured Worker

Benefits-

A commitment to prompt delivery of benefits in accordance with state regulated Workers Compensation statutes.

Higher Quality Medical Treatment-

Provided by a pool of doctors who are all Board certified in their specialty and approved by labor and management.

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24 Hour Support-

Injured workers have immediate access by a toll-free number to an Independent Case Management Nurse and a Program Representative (a Union Representative or Ombudsman) to assist in areas of benefits, medical treatment, etc.

The Claims Adjuster-

Will contact the injured worker to ensure they receive all the benefits that they are entitled to under state law. The Claims Adjuster works with the Independent Case Management Nurse and the Program Representative to meet the needs of the injured worker.

Mediation & Arbitration-

Problems with medical treatment or benefits are resolved in a timely manner through a Mediation Process, and, if still unresolved, through an Arbitration Process. The Mediators and Arbitrators are selected by labor and management.

For the Employer

Better Control of Medical Costs-

Claims can be closed sooner and excess claim reserves can be removed or adjusted accordingly.
The pool of pre-designated doctors reduces many abuses of the work comp system.

Reduced Litigation-

Since the delivery of benefits and medical care is drastically improved, the history of CBWC Programs shows mediation and arbitration significantly reduces litigation and reduces costs to employers and increases actual benefits to the injured worker.

Lowers Burden of Claims Administration-

Much of the paperwork and follow-up for claims administration is provided by IMPACT through the services of the Independent Case Management Nurse and Program Representative. This helps to ensure optimum case management and avoid unnecessary medical costs.



A Safer Workplace is No Accident!

Safety services from SeaBright can make a real difference for your collectively bargained workers' compensation program. Our experienced loss control consultants provide SeaBright policyholders the following effective services:

- Review of loss history to identify opportunities for improvement
- Customer-focused service plan built around your company's priorities
- Review your safety program to find ways to increase its effectiveness
- On-site safety surveys to observe operations and correct unsafe practices
- BrightView® on-line claims information to keep your company informed of claim status and trends
- On-line safety resources to assist with safety meetings and training
- And more!

To find out what SeaBright can do for your company, call Gene Haderlie at 206-269-8577 or visit our website at www.sbic.com.



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IV. GETTING STARTED

Whether you need to “jump start” or expand existing CBWC Programs in your state, or you need to begin the process of lobbying your state legislature to enact legislation to enable the establishment of CBWC Programs, IMPACT has developed a plan to assist you.

Some Iron Worker local unions or District Councils may want to develop Iron Worker only local, or District Council wide CBWC Programs like the California model. Other Iron Worker local unions or District Councils may want to take the lead in developing a multicraft CBWC Program in their area. A third alternative is to develop a CBWC Program for a major project or projects.

Through the employment of expert consultants in the unique area of CBWC Programs and the services of the office of the Iron Workers Legislative Affairs, IMPACT will fund an initial “Start Up” meeting to help establish a labor-management coalition to promote a CBWC Program in local areas around the country. IMPACT will continue to participate in ongoing meetings to assist local CBWC labor-management coalitions. In addition, IMPACT will bring IMPACT Alliance insurance carriers into discussions of CBWC Programs.

After the initial “Start Up” meetings, requests for additional assistance and/or funding should be processed through the appropriate IMPACT Regional Advisory Board (RAB).

Contact IMPACT at 1-800-545-4921 to help plan your “Start Up” meeting or for further questions or assistance to begin this process. For specific questions on lobbying for legislative issues, contact the Director of Legislative Affairs for the Iron Workers at 202-383-4805.





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V. THE TRACK RECORD OF CBWC PROGRAMS

The first CBWC program, often referred to as the Pioneer Valley project, was put in place in Massachusetts in 1992. Since then, CBWC programs have been established in many states, and new ones are still being established. Not every program has been a success. Several have decided to cease operations, usually for the same or related reasons. **That is, the inability to obtain or maintain a relationship with an insurance carrier that will operate the program properly at premium rates that are competitive within the community.** However, most programs have remained in effect for many years, continuing to provide high quality benefit delivery, minimal disputes, and premium rates that permit union employers to better compete for business against non-union shops.

In each case, the termination of the program has occurred without creating problems for any injured worker or any employer. For the employer, the insurance policy that covered the CBWC program is a statutory policy, and remains in force for as long as it takes to pay all of the benefits required for all of the injuries that occurred during the life of the program. The employer simply transitions to a new policy, possibly with the same carrier, but without the CBWC program.

For employees who were injured during the existence of the CBWC program, nothing changes. They receive their medical and monetary benefits, and any other benefits to which they are entitled under the law. If a dispute arises, it is usually handled through the alternative system established under the collective bargaining agreement. The only exception is that most agreements provide for a transition back to the statutory dispute resolution system for claims that remain open many years after the termination of the CBWC program. That is, the agreement may provide that three years after the program ends, any case that remains open will have its issues resolved through the statutory system. For the employee, it is simply a seamless transition from one system to the other, with no loss of benefit entitlement or ability to have disputes resolved and benefits provided.

Success of the California Ironworkers Workers Compensation Program

In February of 2003, the California Iron Workers Collectively Bargained Workers Compensation Program was established to address fundamental problems with the Workers Compensation system and the spiraling costs of Workers Compensation insurance for union employers. Richard Zampa, President of the California District Council of Iron Workers, and Michael Newington, Executive Director of the Western Steel Council, established a committee of labor and management representatives to explore ways to improve the delivery of medical benefits, control medical costs, and avoid unnecessary litigation.



The committee designated Richard Zampa as the Labor Co-Chairman and David McEuen, President of California Erectors, Bay Area, as the Management Co-Chairman to help facilitate an agreement and expedite the process. The committee developed a “Workers Compensation Addendum” to the Master Labor Agreement that established terms and conditions for the California Iron Workers Collectively Bargained Workers Compensation Program. One of the important processes integrated into this Program was the “Alternative Dispute Resolution” commonly referred to as “ADR”. Key elements of the program are the case nurse and the ombudsman are selected by the Union, and the mediators and arbitrators are chosen by the employers from a list submitted to them by the Union. The case nurse and ombudsman are independent from the insurance company and are there to assist the injured worker with medical issues and to help resolve any issues that arise during the course of the Workers Compensation claim. The nurse, ombudsman, mediators, and arbitrators are paid from a Trust Fund established by the parties and funded by a contribution from the employers. They are not directly paid by the insurance company. They work for and are under the direction of the Trustees and not the insurance company.

In response to the rapid growth and demands for additional services of the California Program, labor and management Trustees hired a full time Program Administrator in 2005. The role of the Program Administrator is to work with employers and insurance carriers who elect to participate in the Program. Another important function of Program Representative is to serve as an “Ombudsman” to respond to injured workers and to help facilitate better communication between the injured workers and insurance carriers.

Since the inception of the California Iron Workers Collectively Bargained Workers Compensation Program in 2003, the Program has grown to dozens of employers and has attracted six insurance carriers. Representatives of the insurance carriers provide periodic claim reports to the Trustees that have indicated loss ratios and accident trends well below the industry average. Trustees for the Program attribute these successes to the highly skilled workforce, and the cooperative efforts of labor, management, and the insurance carriers.

There is also a successful multi-trade CPWC Program in Minnesota that was established in 1996, named the Union Construction Workers Compensation Program. Perhaps the most important thing to note is that CBWC programs have been under intense scrutiny since their inception, due to the fact that there was a fair amount of opposition to them, primarily by service providers whose financial interests might have been affected, and by non-union groups that did not want to permit union employers to improve their competitive positions. Despite this scrutiny, there has not been a single instance in any state in which it has been shown that an injured worker receiving benefits through a CBWC program has been negatively affected in any way. In fact, it is clear that these programs have been remarkably successful, doing a better job of delivering benefits and support for workers than is the case in the traditional system.

VI. THE CBWC AGREEMENT AND THE COLLECTIVE BARGAINING PROCESS

Virtually every union and employer association that has entered into a CBWC agreement has done so separate from any other collective bargaining efforts, and has not attempted to trade something from the Workers Compensation program for some unrelated issue or benefit. This is extremely important. The CBWC program is, and needs to be viewed as, a benefit to both labor and management, not something to be fought over every year. The existing programs, while not identical, are all very much alike, and a new program does not require or deserve the kind of bargaining approach that is often necessary when dealing with wages, fringe benefits and the like. To bring other issues, such as wages, into the discussion of the Workers Compensation program leaves the participants open to criticism that they will somehow trade a good statutory Workers Compensation program for an inferior collectively bargained one, in order to obtain higher wages or better fringes. This has never happened, nor should it. While this may be considered a unique concept within the collective bargaining environment, the Workers Compensation issue is also unique, and must be kept separate and from everything else and as non-confrontational as possible, if the program is to succeed.





BrightCure™ Medical Management: Better Care for a Better Recovery!

SeaBright's BrightCure Medical Management brings expert resources and state-of-the-art programs together to get workers' injuries resolved effectively and to return injured employees to work at the most appropriate time.

- Medical Provider Network - more effective medical care from better doctors
- Utilization Management - assures the right treatment for the injury
- Pharmacy Program - the right medications with no out-of-pocket expense
- Other Services - convenient access to services designed for workplace injuries

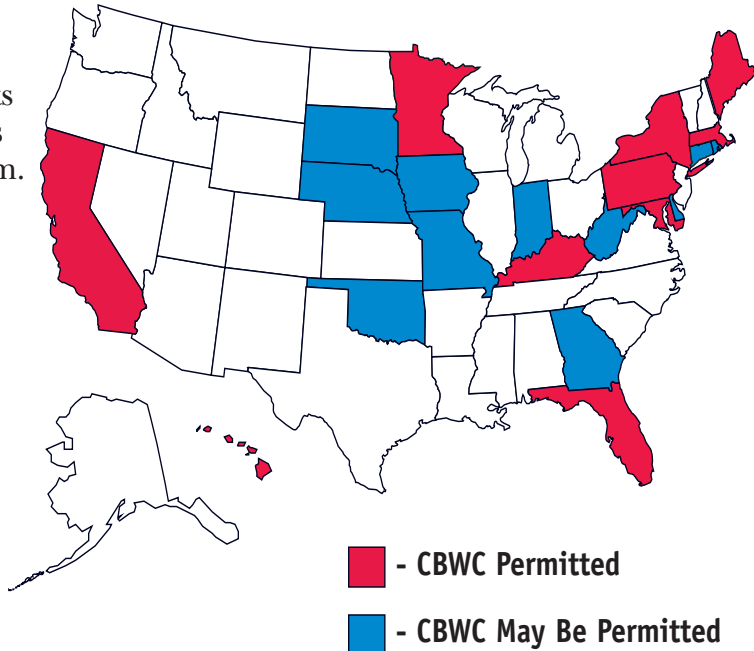
To learn more about BrightCure, call Dr. Marc Miller, SeaBright's Chief Medical Officer, at 714-918-5943 or visit us on-line at www.sbic.com.



VII. MAP OF CBWC STATES

There are currently 10 states that have specific legislation permitting the use of collective bargaining agreements to establish a Workers Compensation program. They are:

- Maine
- Massachusetts
- New York
- Pennsylvania
- Maryland
- Minnesota
- Kentucky
- Florida
- California
- Hawaii



In addition, there are some states whose Workers Compensation laws do not specifically authorize CBWC but which have language that is permissive of such programs. These include such states as Connecticut, Rhode Island, Missouri, Georgia, Delaware, Oklahoma, Nebraska, South Dakota, Iowa, Indiana and West Virginia.

For the 10 states where specific enabling language currently exists, establishing an actual program is simply a matter of labor and management negotiating the structure of the program, obtaining approval from the relevant state agency, and finding insurance carriers willing to write the program at rates that will make it attractive to union employers. These carriers must also be willing to operate the program as designed, in accordance with the letter and the spirit of the agreement. Contact IMPACT with any questions you may have about your state regulations, and for assistance in getting a labor-management coalition started in your state.



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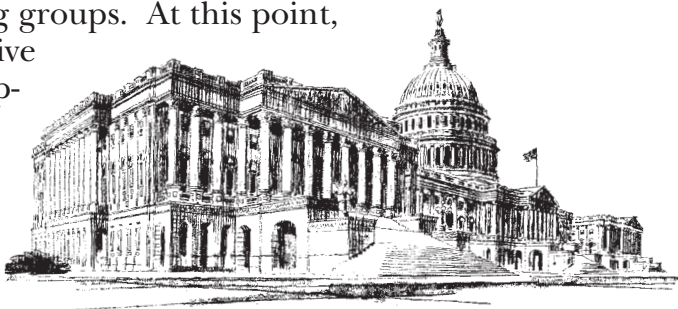


VIII. PASSING THE ENABLING LEGISLATION

Labor and management have been extremely fortunate in successfully enacting legislation each time that the effort has been made. The only exceptions have been a few instances in which local employer organizations have attempted to pass legislation on their own, without understanding either the program or the process. One major reason for success has been that supporters of collectively bargained Workers Compensation have always pursued legislation as a joint labor/management goal, with support from both sides. As a result, the process has, for the most part, been quite simple, following this model:

1. Identify a very small group of labor and management leaders (the oversight committee) who will support the proposal and conduct an educational session with them so that they will fully understand the concept and be able to explain it to others. It is important that these be well respected leaders in the collectively bargained community.
2. Using this leadership, secure the formal backing of the appropriate labor and management organizations that will provide legislative support for the proposal.
3. Again utilizing this leadership, identify, meet with and educate bipartisan legislative representatives who will actually file and pursue the legislation. Consideration should also be given to bringing in representatives of the Governor's office as well, if the politics of the particular state support or require this.
4. In conjunction with the legislators and their staffs, develop the appropriate legislative language, and the appropriate legislative strategy.
5. File the legislation.

Once the legislation is filed, you are usually at the mercy of the legislative leadership, and have to depend upon the skill of the lobbyists who work for the supporting groups. At this point, the Iron Worker office of Legislative Affairs can be of assistance in helping to push the legislation through the process.





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SeaBright Insurance Company has the knowledge and expertise to make your CBWC program a success!

- **Collectively Bargained Workers' Compensation for Union Ironworkers:** A proven program to improve safety and speed quality medical care and benefits to injured workers
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Service Offices: AK, CA, FL, GA, HI, IL, PA, TX & WA



IX. MODEL LEGISLATION

For those states that do not already have enabling legislation, labor and management will have to take the initiative to draft the appropriate legislation and secure its passage. The following model language is appropriate as a starting point for drafting legislation in any state, but since state laws differ with regard to their structure and the nomenclature that they use, and each Workers Compensation system is unique in the way that it is organized, the language will have to be customized for each state in which it will be used. Some of the variables that must be dealt with when drafting legislation for a specific state are the following:

1. The names of the Workers Compensation agency and relevant courts.
2. Statutory references.
3. The question of whether the provision will apply to all industries, or construction only.
4. The extent to which the traditional court system will be involved in the program. For example, in Florida the program's arbitration is virtually final with no opportunity to appeal. In California the arbitration decision is appealable in the same manner as the decision of a Workers Compensation judge.
5. Nomenclature for the claims process and benefit structure.

The following language represents the best of several existing statutes, in that it is relatively simple to understand, and deals with the issues that have been raised concerning previously enacted legislation. As stated previously, it is only a starting point, and requires modifications in order to fit into a specific state's statutory scheme.

(1) Subject to the limitation stated in a provision that is mutually agreed upon in any collective bargaining agreement filed with the department between an individually self-insured employer, or an insured employer having the consent of its Workers Compensation insurance carrier, and a recognized or certified exclusive bargaining representative, establishing any or all of the following shall be valid and binding:

- (a) An alternative dispute resolution system to supplement, modify, or replace the provisions of this chapter, which may include, but is not limited to, conciliation, mediation, and arbitration. The Agreement may provide that arbitration held pursuant to this section be binding



on the parties, or may provide that it be subject to review in the same manner as a final order, decision, or award made and filed by a Workers Compensation administrative law judge.

- (b) The use of an agreed-upon list of health care providers of medical treatment which may be the exclusive source of all medical treatment under this chapter.
- (c) The use of a limited list of physicians to conduct independent medical examinations, which the parties may agree, shall be the exclusive source of independent medical examiners pursuant to this chapter.
- (d) The use of a case manager, patient advocate, utilization review or similar program, or combination of programs, intended to improve the quality and control the cost of medical and related treatment and care.
- (e) A light-duty, modified-job, or return-to-work program.
- (f) A vocational rehabilitation or retraining program utilizing an agreed list of providers of rehabilitation services that may be the exclusive source of providers of rehabilitation services under this chapter.

(2) Nothing in this section shall allow an agreement that diminishes the entitlement of an employee to compensation payments for total or partial disability, vocational rehabilitation, or medical treatment fully paid by the employer as otherwise provided in this section; nor shall any agreement authorized by this section deny to any employee the right to representation by counsel at all stages during the alternative dispute resolution process. The portion of any agreement that violates this paragraph shall be declared null and void.



X. NOW WHAT? OVERSEEING THE PROGRAM

One occasional obstacle to labor's involvement in CBWC programs is a concern that the labor leadership will become involved in day-to-day Workers Compensation issues and activities. This should never be the case, and experience has shown that it is not the case. The involvement of labor and management representatives is limited to their participation as members of the Oversight Committee or a similar entity that sits as the governing body for the program. This group has no involvement in claims, and is only there to set policy, make decisions on medical networks, and pick and oversee the various players such as nurses, mediators and arbitrators who are the ones actually involved in the day to day activities of the program, in fact, the existence of the program should make life easier for the labor representative. Because each program has a Program Representative (sometimes called an Ombudsman), whose job is to assist injured workers who have claims-related problems, any labor representative who receives a call from an injured worker with a problem simply refers him or her to the Program Representative, with confidence that everything will be dealt with promptly.

Of all the responsibilities that fall to the labor-management oversight group, perhaps the most important is overseeing the performance of every party that has responsibility for the day-to-day operations of the program. In most cases they consist of the insured employers, the insurance carrier, the program representative, the mediator, the arbitrator and the program nurses. Again, the oversight group does not get involved in decisions, but must constantly review performance to assure all the program participants that everything is being done in accordance with the letter and spirit of the program. The CBWC program is different from normal Workers Compensation programs not only in the words of the agreement, but in its insistence that everything be done correctly and on time.

In the normal Workers Compensation system, delays, game playing and mistakes are too often accepted as the norm. Old habits die hard. It is crucial that the insurance carriers share Labor's and Management's commitment to handle claims in an expeditious and accelerated manner. No matter how great the verbal commitments that are made when the program is being put together, there are many service providers who would much prefer to be left alone to do things as they see fit, rather than follow the rules of the CBWC program. For any CBWC program, not only is this attitude unacceptable, but also it is potentially destructive of the program. As a result, monitoring performance can be considered a life or death issue for the program and its governing body.



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XI. WORKING WITH INSURANCE CARRIERS

Fortunately, IMPACT has the benefit of the knowledge and experience of the California IW Program that includes how to get major insurance carriers directly involved. Without one or more Workers Compensation insurance carriers that are willing to offer insurance to the program at competitive rates, all the good intentions in the world will not get a CBWC program up and running. Despite the fact that the programs often deliver very good financial results for employers and carriers, the insurance industry tends to be somewhat conservative, and in many instances individual insurance companies do not view the program as financially significant enough to undertake one. They are sometimes concerned about having to learn a new way of doing business (better claims handling, prompter payment, less hassles with injured workers, etc.),



and do not feel that it is worth their effort to make the internal changes in their claims department that might be required to support a CBWC program.

In addition, carriers do not price their products and programs based on speculation. They prefer to wait until all the results are in before they are willing to lower their rates to support a program such as this. But the financial realities of the construction industry requires employers to look for the best prices now, as they are bidding on new jobs, rather than paying higher rates and hoping that in the future the rates will



come down. A real chicken and egg situation.

Fortunately, in most cases labor and management groups interesting in establishing a program have been able to find carriers willing to cooperate. Sometimes this occurs through the influence of an insurance agent or broker with close ties to the union construction industry in a particular state. In other cases a single large employer has been able to bring its carrier to the table. And in states like California, where there are now a significant number of programs, more carriers have entered the field, and they have a level of comfort with the concept that permits them to entertain the possibility of working with new programs.



In finding a carrier it is important that a CBWC program pay attention not only to the willingness of the carrier to write the program at acceptable rates, but also its willingness and ability to fulfill its claims and related responsibilities under the agreement, with regard to both the letter and the spirit of the agreement. Old habits die hard, and it is not always easy to get claims people to change both the mechanics of the operation and their style in terms of relating with injured workers, the program nurse, the ombudsmen and the rest of the people involved with the program. In many ways the insurance carrier is the public face of the program, and a carrier that does not do its job properly threatens not only a single claim, but also the viability of the CBWC program itself.

XII. Contact Information

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XIII. SAMPLE CBWC GUIDE FOR IRON WORKERS

What It Is

The Ironworker Management Progressive Action Cooperative Trust (IMPACT) has established a Workers Compensation Program that is designed to improve the delivery of Workers Compensation benefits to Iron Workers who have been injured on the job. The Program will be administered by IMPACT through local unions and IMPACT Regional Advisory Boards.

The IMPACT Ironworkers Negotiated Workers Compensation Program does not withhold any rights to injured workers that are specified in the normal state system. In addition to the rights you have under the current system, the Ironworkers' program will include the following additional benefits:

- *IMPACT has provided a union representative to contact each injured worker.*
- *Injured workers can contact a union program representative at any time to help answer questions.*
- *Injured workers will be treated by authorized board certified medical providers in their specialty.*
- *IMPACT has provided an independent case nurse who will contact each injured worker and will be available to answer your medical questions.*
- *Resolution of claim disputes through a special mediation and arbitration process using arbitrators and mediators selected by the Union and employers.*
- *You have the right to seek the advice of an attorney at all times throughout this process.*

Labor and Management Cooperation

It is the intent of IMPACT to improve the delivery of benefits and resolution of disputes for workers who claim Workers Compensation benefits under the laws of your state to reduce the waste and excessive costs that have historically been associated with the delivery of those benefits. Nothing in this Agreement diminishes the entitlement of an employee covered by this Program to compensation payments for total or partial disability, vocational rehabilitation, medical treatment and other benefits provided by the Workers Compensation statutes.

The Program Representative (Ombudsman)

IMPACT, in cooperation with your local union and IMPACT Regional Advisory Board, has appointed a union representative as the Program Representative. Once he is notified of an injury, the Ombudsman will make an initial contact with each injured employee. Additionally, he will be available to answer your questions and help resolve any problems you have related to your claim by calling him toll free at 1 (800)000-0000. The Program Representative's job does not include giving advice or telling you what to do. What the Program Representative can do is listen to your concerns and try to get them fixed to your satisfaction. However if this cannot be done you are free to move on to the next step which is mediation. **Program Representative -Toll-Free 1 (800)000-0000.**

Reporting Injuries

In the event that you are injured on the job, you are required to immediately report all injuries to your foreman or superintendent, in addition to the job steward. Your failure to timely report an injury may result in the denial of a claim. Upon notification of any injury your employer will provide you with a Workers Compensation claim reporting form and call their insurance company to ensure that you receive proper medical care. Under the Ironworkers' Program your employer will also notify the Program Representative and the Case Nurse of your injury.

I.M.P.A.C.T.

Quality Medical Care

The medical care you receive is provided through a network of authorized health care providers established by your local union and employers. The authorized health care providers will be the exclusive source of all medical treatment. You are permitted to choose from among all the doctors in the network. If you are unhappy with your choice, or with a specialist to whom you have been referred, you are free to change doctors once. All authorized providers must be board certified in their respective specialties.

The Claims Adjuster

After you report your injury or illness, you will be contacted by a claims adjuster several times while your claim is open. The claims adjuster is responsible to ensure that you receive all the benefits you are entitled to under the law and will provide you with their name and telephone number. If you have any questions regarding those benefits please call the claims adjuster.

Case Nurse

In addition to the phone calls from the program representative and claims adjuster, you will also be contacted by a case nurse who is assigned to assist you with your claim. The case nurse is an independent patient advocate paid for by IMPACT and is available to assist you 24-hours a day seven days a week. If you need to select or change your treating physician, or if you have any questions or concerns about your medical care, you may contact a case nurse at 1 (800) 000-0000.

The Mediation Process

If the Program Representative does not resolve the problem to your satisfaction within five working days of contacting him, you can request mediation. A request for mediation must be made no later than sixty (60) days after the expiration of the five-day period and any agreed extension thereto. The Mediator will meet with you and the insurance carrier and attempt to resolve matters regarding your Workers Compensation claim. The Mediator is an attorney selected by the Union Trustees. The Mediator cannot force you to accept his or her recommendations or require that you sign any documents giving up your rights. He or she can only make suggestions.

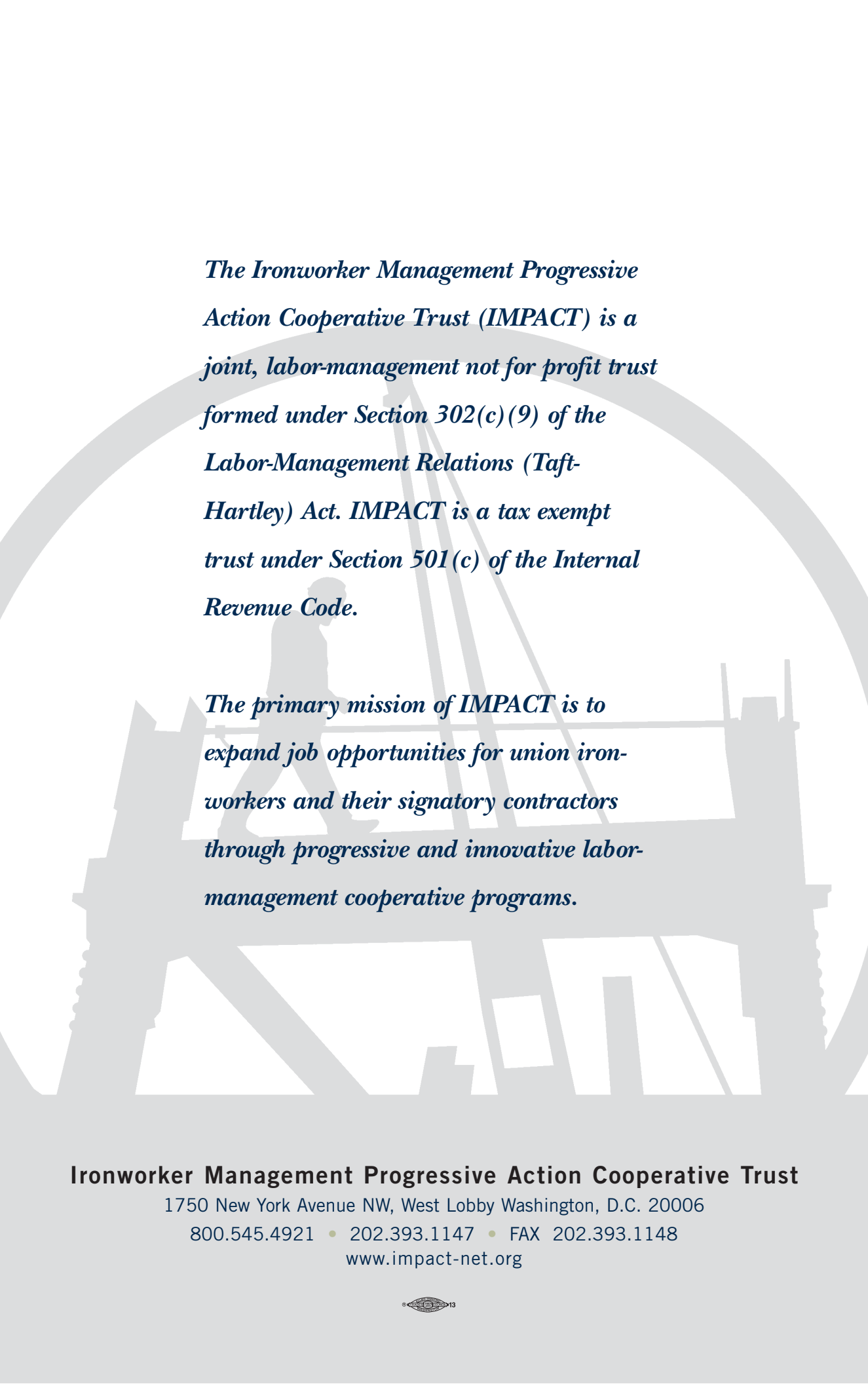
The Arbitration Process

If the mediation is not successful your dispute will be referred to an arbitrator that has been agreed to by the Ironworkers Workers Compensation Program Trustees. A hearing will be held so that you or your attorney can present evidence regarding your claim. The arbitration must be requested within (60) days after the mediation process and a decision reached within (10) days following the conclusion of the arbitration.

Safety Standards and Performance

In an effort to increase safety performance and prevent job site injuries, IMPACT has developed a Safety Program Safety Policy for contractors who elect to participate in this collectively bargained workers compensation program. Before contractors are allowed to participate in this program, they must pass a complete safety audit that includes unannounced job site safety inspections and a review of safety and programs.

During the course of participation, contractors are required to comply with any applicable federal, state, or local statutes pertaining to employer safety requirements. Routine job site safety inspections will be conducted to evaluate contractor safety performance. In the event of non-compliance with the Program Safety Policy, IMPACT will reserve the right to seek any remedy necessary to rectify substandard safety performance.



The Ironworker Management Progressive Action Cooperative Trust (IMPACT) is a joint, labor-management not for profit trust formed under Section 302(c)(9) of the Labor-Management Relations (Taft-Hartley) Act. IMPACT is a tax exempt trust under Section 501(c) of the Internal Revenue Code.

The primary mission of IMPACT is to expand job opportunities for union ironworkers and their signatory contractors through progressive and innovative labor-management cooperative programs.

Ironworker Management Progressive Action Cooperative Trust

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