

**CALIFORNIA SMALL MANUFACTURING  
HEALTH AND WELFARE TRUST FUND**

ADDENDUM TO ADOPTION AGREEMENT  
ALLOWING EMPLOYEES TO WAIVE COVERAGE

This Addendum is made to the Adoption Agreement between \_\_\_\_\_  
\_\_\_\_\_ (“Participating Employer”) and the California Small  
Manufacturing Health and Welfare Trust Fund (“Trust Fund”) signed by the  
Participating Employer on \_\_\_\_\_, 20\_\_\_\_.

The Participating Employer has elected not to contribute to the Trust Fund for employees 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. 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. Contribution payments must be made by the Participating Employer for all covered employees except those who have signed declination of coverage forms. 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.

Employees may only decline coverage if they are: (1) covered as a dependent under another group health benefit plan through their spouses; or (2) are covered under a military coverage or Medicare. It is the responsibility of the Participating Employer to obtain written proof of alternate insurance coverage by employees declining coverage. The Participating Employer must also provide the Trust Fund auditor with copies of the proof of alternate insurance 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 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, consultants, legal counsel, administrators and agents 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. This 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 in accordance with rules of the American Arbitration Association. The arbitration shall take place in San Diego County, California before a single arbitrator. In the event the parties involved in the dispute are unable to agree upon the identity of the arbitrator, the arbitrator shall be appointed by the American Arbitration Association. The decision of the arbitrator shall be in writing and shall contain the findings of fact and conclusions of law on which his or her decision is based. Such decision shall be final and binding on the parties and may be enforced in any court of competent jurisdiction. The parties agree that the prevailing party in any such arbitration shall be entitled to recover its reasonable attorneys' fees and costs and other non-reimbursable arbitration expenses, including witness fees, travel expenses and investigation expenses. Notwithstanding the forgoing, either party may go to a court of competent jurisdiction in San Diego County, California to obtain interim injunctive relief to prevent a violation of this Agreement or to enforce the arbitration dispute mechanism herein.

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

TRUST FUND

PARTICIPATING EMPLOYER

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

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

By: \_\_\_\_\_  
Title Date

By: \_\_\_\_\_  
Title Date