

SA2004RF0002

January 9, 2004

**VIA PERSONAL DELIVERY**

The Honorable Bill Lockyer  
Attorney General  
1300 I Street  
Sacramento, CA 95814

**RECEIVED**  
JAN 09 2004

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary- Initiative Constitutional Amendment -  
Workers' Compensation Reform and Accountability Act

Dear Mr. Lockyer:

Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared for the attached initiative constitutional amendment. Enclosed is a check for \$200.00. My residence address is attached.

All inquiries or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814, (916) 446-6752, Attention: Richard D. Martland.

Thank you for your assistance.

Sincerely,

Christopher M. George, Proponent

Enclosure: Proposed Initiative

SA2004RF0002

I, Christopher M. George, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Christopher M. George, Proponent

Dated: January 9, 2004

**RECEIVED**  
JAN 09 2004

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

SA2004RF0002

January 9, 2004

**VIA PERSONAL DELIVERY**

The Honorable Bill Lockyer  
Attorney General  
1300 I Street  
Sacramento, CA 95814

**RECEIVED**  
JAN 09 2004

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary- Initiative Constitutional Amendment -  
Workers' Compensation Reform and Accountability Act

Dear Mr. Lockyer:

Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared for the attached initiative constitutional/statutory amendment. Enclosed is a check for \$200.00. My residence address is attached.

All inquires or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814, (916) 446-6752, Attention: Richard D. Martland.

Thank you for your assistance.

Sincerely,

Joel Fox, Proponent

Enclosure: Proposed Initiative

SA2004RF0002

I, Joel Fox, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Joel Fox, Proponent

Dated: January 9, 2004

**RECEIVED**  
JAN 09 2004  
INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

**SEC. 1. This measure shall be known as the Workers' Compensation Accountability and Reform Act**

**SEC. 2. Findings and Declarations**

The People of the State of California find and declare that:

- (a) California's Workers' Compensation system was designed to provide medical care to workers injured on the job, a living wage during the period of their rehabilitation and long term payments for the permanently disabled.
- (b) However, high costs to employers and low benefits to workers make bureaucrats and lawyers the major beneficiaries of a system that is broken.
- (c) Workers' compensation premiums have risen dramatically and unacceptably in California over the last few years. Premiums that were once a modest item in the cost of doing business have risen by as much as 200 to 300 percent, putting many small businesses out of business, and driving larger ones out of state.
- (d) The average California business has seen its workers' compensation costs increase by 136 percent since 2000 alone. Workers' compensation costs have risen so high that experts believe they have replaced taxes and regulation as the biggest drag on our economy, and are the main reason we are losing jobs to other states.
- (e) Thousands of California employers pay the highest workers' compensation premiums in the nation – more than twice the national average – while the California system pays benefits to injured workers that are among the lowest in the nation. Total costs have increased from \$11 billion in 1998 to \$29 billion in 2003.
- (f) Our workers and our employers deserve better. California must have significant workers' compensation reform to lower costs to employers, protect worker benefits, and save hundreds of thousands of California jobs.
- (g) This Act is intended to eliminate needless bureaucracy, reduce costs, eliminate delay or denial of necessary medical care and other services to injured workers, and require facts and medical evidence to support workers' compensation claims.

**SEC. 3.** Section 4, Article XIV of the California Constitution is amended to read:

The Legislature is hereby expressly vested with plenary power, unlimited by any provision of this Constitution, to create, and enforce a complete system of workers' compensation, by appropriate legislation, and in that behalf to create and enforce a liability on the part of any or all persons to compensate any or all of their workers for injury or disability, and their dependents for death incurred or sustained by the said workers in the course of their employment, irrespective of the fault of any party. A complete system of workers' compensation includes adequate provisions for the comfort, health and safety and general welfare of any and all workers and those dependent upon them for support to the extent of relieving from the consequences of any injury or death incurred or sustained by workers in the course of their employment, irrespective of the fault of any party; also full provision for securing safety in places of employment; full provision for such medical, surgical, hospital and other remedial treatment as is requisite to cure and relieve from the effects of such injury; full provision for adequate insurance coverage against liability to pay or furnish compensation; full provision for regulating such

insurance coverage in all its aspects, including the establishment and management of a state compensation insurance fund; full provision for otherwise securing the payment of compensation; and full provision for vesting power, authority and jurisdiction in an administrative body with all the requisite governmental functions to determine any dispute or matter arising under such legislation, to the end that the administration of such legislation shall accomplish substantial justice in all cases expeditiously, inexpensively, and without incumbrance of any character; all of which matters are expressly declared to be the social public policy of this State, binding upon all departments of the state government.

*All workers' compensation laws and findings of fact shall be interpreted in an impartial and balanced manner such that all parties are considered to be equal before the law. All parties and lien claimants are required to meet the evidentiary burden of proof on all issues by a preponderance of the evidence.*

The Legislature is vested with plenary powers, to provide for the settlement of any disputes arising under such legislation by arbitration, or by an industrial accident commission, by the courts, or by either, any, or all of these agencies, either separately or in combination, and may fix and control the method and manner of trial of any such dispute, the rules of evidence and the manner of review of decisions rendered by the tribunal or tribunals designated by it; provided, that all decisions of any such tribunal shall be subject to review by the appellate courts of this State. The Legislature may combine in one statute all the provisions for a complete system of workers' compensation, as herein defined.

The Legislature shall have power to provide for the payment of an award to the State in the case of the death, arising out of and in the course of the employment, of an employee without dependents, and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer for awards to employees of the employer.

Nothing contained herein shall be taken or construed to impair or render ineffectual in any measure the creation and existence of the industrial accident commission of this State or the state compensation insurance fund, the creation and existence of which, with all the functions vested in them, are hereby ratified and confirmed.

*Nothing in the Article limits the powers reserved or granted to the people under Article II, including but not limited to the ability to establish forums and procedures for claims resolution to fairly and expeditiously resolve disputes.*

**SEC. 4.** Section 1877.5 of the Insurance Code is amended to read:

1877.5. No insurer, agent authorized by an insurer to act on its behalf, or licensed rating organization who furnishes information, written or oral, pursuant to this article, and no authorized governmental agency or its employees who (a) furnishes or receives information, written or oral, pursuant to this article, or (b) assists in any investigation of a suspected violation of Section 1871.1, 1871.4, 11760, or 11880, or of Section 549 of the Penal Code, or of Section 3215, 3219, or an investigation of a reported fraud claim pursuant to Section 3823 of the Labor Code conducted by a authorized governmental agency, shall be subject to any civil liability in a cause or action of any kind where the insurer, authorized agent, licensed rating organization, or authorized governmental agency acts in good faith, without malice, and