

January 22, 2018

Re: Your Life Insurance Policy and NEA Member Insurance Trust

To All Members Who Received a Notice from NEA Members Insurance Trust:

We are writing to you today to provide an update on the life insurance issue caused by NSEA and NEA threatening to cut your insurance. Recently, you may have received a second letter from NEA dated January 9, 2018 (see attachment number 1). This follows the first letter dated December 20, 2017 (see attachment number 2). In the December 20, 2017 letter from NEA Insurance Trust, you were informed that in 60 days from the date of that letter your life insurance policy would terminate, because CCEA had disaffiliated from NEA. We asked that you contact us when this occurred and you did. We indicated that we would be challenging the notice you received.

CCEA subsequently sent a letter to the NEA Insurance Trust on January 8, 2018 (see attachment number 3). If you read our letter you will see that we challenged NEA Insurance Trust's accusation that CCEA had disaffiliated from NEA and furthermore, challenged them on what grounds they could terminate an insurance policy. We also challenged the 'member in good standing' basis for the Insurance Trust terminating any insurance policy. We said in the part:

***“Under relevant portions of the Trust Summary Plan Description, a member is eligible for benefits if they are an ‘active’ NEA members (as defined by current NEA Bylaws); actively employed in the field of education, and (3) in good standing with their state association.*”**

***Members of CCEA fulfill all the requirements to be eligible for benefits, as we are active members of CCEA, NSEA, and NEA and employed as Licensed Personnel at the Clark County School District. Dues are not a requirement for “active” NSEA or NEA membership, where the dues have been paid, but held in escrow pending a negotiation of a successor Dues Transmittal Agreement, which is required under both NSEA and NEA Bylaws.”***

On Jan 9, 2018 NEA Insurance Trust responded to CCEA's January 8, 2018 letter and sent you yet another letter. The letter was carefully worded, because the first letter sent on December 20, 2017 had false and misleading information in it. First, they corrected their statement that CCEA had disaffiliated and stated that CCEA was affiliated to NEA. Next, they went on to say that if you terminate your insurance policy “you may not be able to re-qualify to receive those or similar benefits even if your NEA membership is subsequently reinstated.” The specific important section you should note out is the following:

***“Please be advised that if your NEA insurance policies are terminated, you may not be able to re-qualify to receive those or similar benefits even if your NEA membership is subsequently reinstated. That is so because you likely qualified for those benefits some years ago and may no longer meet the eligibility criteria for those policies.”***

What this section means is that **you still have insurance unless it is terminated**. As long as you are paying your policy premiums then your policy is not terminated.

They ended the letter stating that because CCEA has not forwarded dues to NSEA and NEA (because we are in court regarding a contract for dues remittance between CCEA and NSEA) you as a member are not in 'good standing' and not eligible for benefits. They end by asking that you call CCEA.

We want to point out to you what we pointed out to NEA and the NEA Insurance Trust. The internal policies and by-laws of NSEA and NEA does not spell out that you are no longer a member in good standing while this court dispute is taking place. Accordingly, we believe that NEA Insurance Trust does not have legal grounds to terminate your life insurance policy.

We advise that if you want to continue your policy, then you should continue your premium payments. If you allow it to lapse, then you will be self-terminating your policy. **So what does this mean?** You still have insurance until it is terminated by you or the insurance company.

Why is it happening? Why are you and others receiving these letters? It is unfortunate that NEA has engaged in actions to threaten, scare members, and confuse members with letters that suggest they don't have insurance. They are doing this because they want to get \$6.2 million annually in dues from CCEA members. NSEA wants \$4.1 million and NEA wants \$2.1 million. You pay \$567 annually in dues to NSEA and NEA. The dispute CCEA has with NSEA is that they receive too much of your dues money, while providing very little if anything to members in return. More troubling is that NSEA refused, and continues to refuse to show how they spend the \$4.1 million they receive annually from CCEA members. What they and NEA have made clear is that they are not interested in returning any of those dues to the Local so the Local has the resources to better serve members. As we indicated we are in court over this dispute and in the end the Court will decide this.

What happens if I receive a notice from the insurance company canceling my policy? Contact CCEA immediately. CCEA will challenge this legal to protect your investment. Feel free to contact me directly at [jvillardita@ccea-nv.org](mailto:jvillardita@ccea-nv.org).

Respectfully,

A handwritten signature in black ink, appearing to read "J. Vellardita". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

John Vellardita, CCEA Executive Director

CC: CCEA Board of Directors

Attachment # 1

**nea** Members  
Insurance Trust

NEA Insurance Operations  
P.O. Box 9389  
Des Moines, IA 50306-9389

January 9, 2018

**IMPORTANT:  
MEMBERSHIP VERIFICATION  
REQUIRED TO CONTINUE COVERAGE**

Certificate Nos: \_\_\_\_\_

Coverage: NEA Life/AD&D Insurance Plans

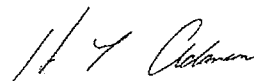
Dear \_\_\_\_\_

We write to follow up on the information we sent you on December 20<sup>th</sup> regarding the termination of your NEA Life Insurance and/or NEA AD & D Insurance policies within sixty days. In that prior letter, we advised you that only NEA members are eligible to receive NEA member benefits including coverage under these NEA insurance policies. Similarly, individuals whom are not members in good standing of NEA are not eligible to continue to receive these membership benefits.

Please be advised that if your NEA insurance policies are terminated, you may not be able to requalify to receive those or similar benefits even if your NEA membership is subsequently reinstated. That is so because you likely qualified for those benefits some years ago and may no longer meet the eligibility criteria for those policies. We therefore strongly recommend that you contact The Prudential Insurance Company of America to explore whether or not it is possible to convert your current life insurance coverage to an individual policy. Eligibility requirements for converting your coverage are outlined in your Certificate of Insurance. Possible conversion to an individual policy is only applicable to life insurance coverage, not accidental death and dismemberment coverage. To convert your life insurance coverage to an individual policy, you must contact The Prudential Insurance Company of America directly at 1-877-889-2070, Monday through Friday, 8 a.m. to 8 p.m. ET. You must apply for this coverage and pay the first premium **within sixty (60) days of the termination of any current NEA Life policy(ies)**.

Finally, we wish to correct one statement in our December 20<sup>th</sup> letter. In that letter, we indicated that your NEA membership had been terminated due to the reported disaffiliation of the Clark County Education Association (CCEA) from the Nevada State Education Association (NSEA) and the National Education Association (NEA). As we now understand the situation, in fact CCEA remains an NSEA and NEA affiliate but has refused since this past September to transmit your membership dues to NSEA and NEA. As a consequence of CCEA's refusal to transmit dues, you are no longer an NEA member in good standing and are no longer entitled to receive the benefits of NEA membership including participation in the NEA Members Insurance Trust programs. If you would like to discuss this issue with CCEA, please contact CCEA at (702) 733-3063.

Sincerely,



Kevin Adamson  
Insurance Program Liaison  
NEA Members Insurance Trust

# Attachment # 2

**nea** Members  
Insurance Trust

NEA Insurance Operations  
P.O. Box 9389  
Des Moines, IA 50306-9389

December 20, 2017

**IMPORTANT:  
MEMBERSHIP VERIFICATION  
REQUIRED TO CONTINUE  
COVERAGE**  
Certificate Nos: \_\_\_\_\_

Coverage: NEA Life/AD&D Insurance Plans

Dear \_\_\_\_\_

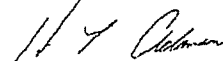
We were informed that Clark County Education Association (CCEA) has disaffiliated with Nevada State Education Association (NSEA) and the National Education Association (NEA). Due to this action, you are no longer a member of the NEA.

Membership in the NEA is a requirement to participate in any of the NEA Members Insurance Trust programs. In order to continue your NEA Life / AD&D insurance coverage, you must be a current member of the NEA. Be advised that your NEA Life Insurance and/or NEA AD&D Insurance policy(ies) will be terminated sixty (60) days from the date of this letter.

You may be entitled to convert your life insurance coverage without proof of good health to an individual policy with The Prudential Insurance Company of America. Eligibility requirements for converting your coverage are outlined in your Certificate of Insurance. Possible conversion to an individual policy is only applicable to life insurance coverage, not accidental death and dismemberment coverage. To convert your life insurance coverage to an individual policy, you must contact The Prudential Insurance Company of America directly at 1-877-889-2070, Monday through Friday, 8 a.m. to 8 p.m. ET. You must apply for this coverage and pay the first premium within sixty (60) days of the termination of any current NEA Life policy(ies).

If you have any concerns regarding your discontinued NEA membership, please contact CCEA at (702) 733-3063. Only CCEA can determine your future eligibility for NEA Member Insurance Trust programs.

Sincerely,



Kevin Adamson  
Insurance Program Liaison  
NEA Members Insurance Trust



January 8, 2018

Attachment #3

Becky Pringle  
Chair, NEA Members Insurance Trust Board of Trustees,  
Vice President, National Education Association  
1201 16th Street, NW  
Washington, DC 20036

*Sent electronically*

**RE: CCEA Members Challenge of NEA Members Insurance Trust Termination of Benefits**

Dear Chair Pringle:

We are writing to you in your capacity as Chair of the NEA Members Insurance Trust Board of Trustees with acknowledgement that you are also Vice President of National Education Association. Recently, CCEA members received a letter from the NEA Members Insurance Trust ("Trust") informing them that their Trust benefits would be terminated sixty days from the date of the letter since the Trust was *"informed that Clark County Education Association (CCEA) has disaffiliated with Nevada State Education Association (NSEA) and the National Education Association (NEA)."* (See Attachment 1) We, as members of the Clark County Education (CCEA) collectively send this complaint letter to challenge the determination made by the NEA Members Insurance Trust.

CCEA has not taken affirmative steps to disaffiliate from either the NSEA or the NEA. In fact, on January 5, 2018, NEA President, Lily Eskelsen Garcia, wrote in a statement that *"CCEA remains an NEA and NSEA affiliate and any statement to the contrary is not well founded."* Currently, CCEA is in litigation with NSEA and NEA, and merely escrowing collected dues of both organizations while negotiating a successor dues transmittal agreement pursuant to the terms of the agreement and in accordance with NSEA/NEA Bylaws and Policies. However, the Trust appears to be stating that we are no longer members of the NEA because CCEA has disaffiliated with the NSEA and the NEA, despite even statement to the contrary by NEA's President.

Under relevant portions of the Trust Summary Plan Description, a member is eligible for benefits if: (1) they are an "active" NEA member (as defined by current NEA Bylaws); actively employed in the field of education, and (3) in good standing with their state association.

Members of CCEA fulfill all the requirements to be eligible for benefits, as we are active members of CCEA, NSEA, and NEA and employed as Licensed Personnel at the Clark County School District. Dues are not a requirement for "active" NSEA or NEA membership, where the dues have been paid, but held in escrow pending a negotiation of a successor Dues Transmittal Agreement, which is required under both NSEA and NEA Bylaws.

Further, NSEA Bylaws, Article VIII, outlines the process for affiliation of locals. Again, being current on dues is not a requirement for NSEA affiliation of a local union. In fact, Article VIII, Section 8, grants a local

affiliate a hearing before the Tripartite Review Panel before censure, suspension, or disaffiliation can occur. CCEA members have not been afforded any due process as required under NSEA Bylaws to disaffiliate us and unilaterally cancel member benefits. Even in the event of delinquent dues, NEA Bylaws Section 2.9 provides that *"where 40% of the yearly dues must be paid by March 15<sup>th</sup> and 70% by June 1, with penalties imposed for late payment.* In this context, delinquent dues alone are not sufficient to disaffiliate the local or remove the individual active NEA members from membership and benefits.

The notice sent out to members was clear that their policies would be terminated, yet the insurance company holding the policy is not serving this notice- the Trust is. On what contractual grounds can the Trust serve notice to terminate a policy between an individual and the insurance company? Additionally, the notice states that the Trust was 'informed' that CCEA had disaffiliated and the disaffiliation was grounds for terminating a policy. Because of the symbiotic relationship between the Trust and NEA we can only assume that NEA 'informed' the Trust that CCEA disaffiliated. As the Chair of the Trust, who 'informed' the Trust that CCEA disaffiliated and how that was communicated to the Trust, please advise and provide evidence of such disaffiliation, as well as where it is stated as a cause for ineligibility to maintain a policy. Moreover, please clarify is the effective date of a terminated policy the date the policy lapses?

Notwithstanding, the comments above, the record clearly shows that CCEA has not disaffiliated from NSEA and NEA and hence, the basic premise of the notice sent to members by the Trust terminating their policies is based on a falsehood. As "active" Members eligible for benefits, we challenge the Trust's determination of benefit termination as a violation of member rights and due process. We strongly urge you reconsider the Trust's determination.

Sincerely,

A handwritten signature in black ink, appearing to read "John Vellardita". The signature is fluid and cursive, with a large initial "J" and a stylized "V".

John Vellardita  
Executive Director, CCEA  
*On behalf of Clark CCEA Executive Board and Members*

cc:  
CCEA Executive Board  
NEA President, Lily Eskelsen Garcia