



National Educational Alumni Trust

Director's Manual





Director's Manual

Published by the NEATrust Executive Committee
and
American Insurance Administrators
A USI Affinity Company



Table of Contents



- I. History of the National Educational Alumni Trust
- II. NEATrust Agreement, Amendments to Trust Agreement, Constitution and Bylaws
- III. Administrative and Endorsement Agreement
- IV. NEATrust Membership
- V. NEATrust Contact Directory
- VI. Product Descriptions and Carrier Information





I

History of the National Educational Alumni Trust



A Historical Overview



The New England Alumni Trust (NEATrust) was established in 1972 in Connecticut to provide a vehicle for the distribution of insurance products to Alumni Association members. The Trust provided the participating Associations with a means to offer new benefits to their constituents while creating a source of income for the Association. The Trust operates under its constitution and by-laws as a 501(c)3 not-for-profit organization. Each participating Association receives a copy of the by-laws in the NEATrust Director's Manual.

Early Trust participants were associations located along the eastern seaboard. The name, New England Alumni Trust, was descriptive of the Trust's membership. As the Trust grew, it sought new insurance programs to complement the term life plan. Today, associations can choose to endorse a number of health, life, auto & home, and financial services plans under the NEATrust banner. With the growth of the Trust came diversity within its membership and the need for a new name, which more accurately described the make-up of the Trust. In 1990, the Trust's members voted to change the name from the New England Alumni Trust to the National Educational Alumni Trust.

Today, the Trust serves over 140 Alumni Associations. Each of the plans available through the Trust provides the sponsoring Association with annual revenue.

The Trust is the oldest alumni self-governing body of its kind in the United States. Each participating Association has a vote on Trust matters. The Board of Directors elects the Executive Committee of the Trust, which includes a Chairman, Secretary and six Executive Committee members. The Executive Committee meets twice a year with the Administrator, American Insurance Administrators (AIA), to discuss the state of the Trust, its insurance products and the marketing of those products to member constituents. The Trust also hosts an annual business meeting.

The primary responsibility of the NEATrust Executive Committee is to review all new product proposals, marketing and sales results. New products, once approved by the Committee, are presented to all Trust participants for their individual endorsement. Each Association makes its own decision about which products will be offered to their members. Each participating Association in the Trust reviews and approves marketing, which will be sent to their alumni by AIA. Marketing costs are absorbed by AIA, and the individual underwriting companies provide the coverage. Each sponsoring Association is paid a royalty, which is an amount equal to a percentage of premium or a percentage of AIA's commission for each endorsed product. Royalty percentages vary according to the product and are paid on an annual basis by AIA.

National Educational Alumni Trust

History of Operations



- 1972 New England Alumni Trust established in Connecticut.
- 1973 Mutual Benefit Life Insurance Company selected as underwriter for the group term and group permanent life insurance products; first solicitation mailed.
- 1974 First dividends distributed to participating schools.
- 1977 Trust Agreement amended to transfer ownership of the program to participating Associations.
- 1978 An Executive Committee, elected by participating associations, is established to oversee Trust operations.
- 1979 Northwestern National Life duplicates group coverage and rates for “individual policy states.”
- 1980 “NEAT Newsletter” introduced; Hospital Cash Benefit Program endorsed.
- 1981 Maximum life coverage increased to \$100,000; volume rate discounts introduced.
- 1984 Number of participating associations exceeds 100.
- 1987 Association Consultants, Inc. selected as NEATrust administrator; TempoCare, short-term medical for new graduates, introduced.
- 1988 Introduction of a permanent group major medical plan, underwritten by Fidelity Security Insurance Company.
- 1989 Mutual of New York Life Insurance Company selected as underwriter for group term insurance products.
- 1990 NEATrust wins contest with Internal Revenue Services; releases dividends held in escrow for years 1986-88. Name changed to National Educational Alumni Trust to more accurately reflect geography of member schools. Postal dispute settled and funds held in escrow released. North American Life and Casualty Company (now known as Allianz Life) selected as insurance carrier for group term life plan.
- 1991 NEATrust expands to include 20-association National Collegiate Group Insurance Trust. Trust secures a guaranteed royalty arrangement with Allianz Life to replace the unreliable dividend structure resulting in dependable Association revenue.

- 1992 First “Free Life” offer mailed.
- 1993 Bertholon-Rowland purchases the assets of Association Consultants, Inc. and becomes NEATrust administrator.
- 1994 Maximum life coverage increased to \$275,000; accelerated death benefit added at no additional cost; rates reduced 9.1% for individuals under age 50. High-limit Accidental Death and Dismemberment Plan endorsed.
- 1995 New York Life Insurance Company is named the insurance carrier for the group major medical coverage. A new Preferred Provider Network (PPO) is installed.
- 1996 NEATrust goes on-line with its new web site: www.neatrust.org, which has been changed to www.aia-online.com/NEAT
- 1997 NEATrust introduces its new Partners Protection Plan underwritten by Allianz Life Insurance Company of North America. Cumulative Revenue generated by the Trust tops \$4,000,000 as royalties are distributed in March.
- 1998 Bertholon-Rowland purchases American Insurance Administrators in Columbus, Ohio, and transfers administration, management and marketing of its alumni business to AIA.
- 1999 NEATrust renews and extends term of the Administrative Endorsement Agreement. NEATrust insurance program is realigned to facilitate marketing and promotion of the plans of insurance. AIA begins marketing short-term medical under its brand name, GradMed®. Participating associations achieve dramatic increases in responsiveness. NEATrust Term Life plan transferred to United State Life. United State Life commits \$600,000 to reinvigorate marketing of the plan.
- 2000 Web based marketing plans introduced to members.
- 2004 NEATrust Executive Committee votes unanimously to renew its contract with AIA for a 10-year term.

