



# APPLICATION FOR MEDICAL EXPENSE CONVERSION PROGRAM

**CONVERSION  
PROGRAM**

Celtic Insurance Company, 233 S. Wacker Drive, Suite 700, Chicago, IL 60606

PARTICIPATING EMPLOYER

TELEPHONE

FAX

ADDRESS

CITY

STATE

ZIP

NAMES AND ADDRESSES OF AFFILIATES TO BE INCLUDED (IF NONE, SO STATE)

CONTACT NAME

TYPE OF GROUP- SINGLE EMPLOYER, TRUST OR ASSOCIATION?

OTHER

IF TRUST, LIST TYPE AND/OR APPROPRIATE STATUTE

IS THIS GROUP SUBJECT TO COBRA?

IS THIS GROUP SELF-FUNDED OR FULLY INSURED?

NAME OF STOP-LOSS CARRIER

NAME OF PARTICIPATING EMPLOYER'S MEDICAL EXPENSE PLAN

NAME OF PLAN ADMINISTRATOR

PLAN ANNIVERSARY DATE

REQUESTED EFFECTIVE DATE

NUMBER OF EMPLOYEES COVERED UNDER THIS PLAN

SUBSCRIPTION FEE

FEES WILLBE REMITTED BY

I understand that the producer submitting this Application (if licensed as a broker) represents my company's interest, not that of Celtic Insurance Company, and that he has no right to bind coverage, to alter terms of the Insurance Contract or Application in any manner, or to adjust any claim for benefits under the Insurance Contract. I hereby certify that the information herein, relative to this Application and Agreement form is true and complete to the best of my knowledge and that I have read and understood the form.

SIGNATURE OF COMPANY OFFICER

TITLE

DATE

Accepted effective \_\_\_\_\_ by Celtic Insurance Company this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

CELTIC INSURANCE COMPANY

TITLE

FOR OFFICE USE ONLY

GROUP #

Earning Your Trust, Every Day

**CELTIC**

## NOTICE OF PARTICIPATION IN THE SIR TRUST

The undersigned hereby applies for membership in the SIR Trust and applies for inclusion as a Participating Employer in the Medical Expense Conversion Program underwritten by the Celtic Insurance Company. In consideration of subscription fees paid, the SIR Trust will make available the privilege of obtaining Conversion Insurance on an Individual Conversion Certificate or Policy issued without evidence of insurability to eligible employees and their dependents (Eligible Insureds) of the Participating Employer.

This agreement will automatically terminate if a subscription fee is not paid within thirty-one (31) days of the due date. If this agreement terminates, no Conversion Certificate(s) or Policies will be issued to any Eligible Insured(s) who become(s) eligible for a Conversion Certificate or Policy after the due date for which the subscription fee is in default. Acceptance of one or more late payments does not waive Celtic's right to terminate this agreement for late payment or non-payment.

It is agreed that the Participating Employer will pay 100 percent of the subscription fee, and will make this conversion privilege available to 100 percent of its Eligible Insureds who are covered for this benefit under the Participating Employer's Medical Expense Plan.

To become an Eligible Insured, (1) an employee or dependent must have been continuously covered under the Participating Employer's Medical Expense Plan for 3 consecutive months; and if the employer is subject to COBRA (2) an employee electing COBRA continuation coverage must complete the maximum period provided by COBRA.

An Eligible Insured may apply for an Individual Conversion Certificate or Policy if coverage under the employer's plan is terminating for any reason other than the following: (1) Discontinuance of the Employer's Medical Expense Plan in its entirety or for any class(es) of employees; (2) Employer's participation ends and there is a succeeding medical expense plan; (3) The insured or employer failed to pay for any premium required under the employer's plan; (4) Insured has exceeded his or her lifetime maximum under the employer's medical expense plan; or (5) Coverage under the employer's plan is extended beyond the maximum period provided by COBRA.

The Individual Conversion Certificate or Policy will not be issued to any Eligible Insured who: (1) Is age 65 or older; (2) Is or could be covered by Medicare (title XVIII as amended); or (3) Is covered by or eligible for any group, individual, prepayment, government or other plan or program (insured or uninsured) which, according to Celtic Insurance Company standards, would result in over insurance if the Individual Conversion Certificate or Policy was issued.

Eligible Insureds applying for Conversion Coverage must submit a written application no later than 31 days after termination of their eligibility for coverage. Conversion Coverage issued shall be subject to all the rights and obligations of the Medical Expense Conversion Program Policy issued by Celtic Insurance Company to the Trustee of the SIR trust.

The undersigned agrees that Celtic may, as its sole option, with 30 days advance notice: (1) Change rates and/or benefits of the Medical Expense Conversion Insurance, all in force Individual Conversion Certificates or Policies and the amount of subscription fees paid by the Participating Employer; (2) Terminate the Medical Expense Conversion Program Policy or participation of the Participating Employer in the Program; or (3) Terminate any identifiable group of in force Individual Conversion Certificates or Policies.

In the event eligibility under the Employer's Plan is terminated for an Insured, it is hereby understood and agreed that the Participating Medical Expense Plan Employer is responsible for any incurred expenses that may result while covered under any extension of benefit or continuation provision in the Employer's Plan document.

In applying for this coverage, the Participating Employer hereby amends and supersedes any and all conditions and benefits that may be included in its Medical Expense Plan to conform to the conditions and benefits of this Notice of Participation and the Medical Expense Conversion Program. The undersigned understands and agrees that Celtic Insurance Company is not responsible for complying with any laws, regulations, or requirements, whether existing or promulgated in the future, which affect the Employer's responsibility to provide conversion benefits to its self-funded Plan Participants. The Participating Employer agrees to hold harmless the SIR Trust, its Trustee, any administrator or agent of Celtic Insurance Company and Celtic Insurance from any claim, penalty, or expense incurred as a result of discrepancies between the Participating Employer's Plan, as amended, and the terms of the Medical Expense Conversion Program and from any adverse acts of their employee(s) and/or agent(s). The Participating Employer also agrees that participation in the SIR Trust will not become effective until the Notice of Participation is accepted, in writing, by Celtic Insurance Company. No one other than an officer of Celtic is authorized to modify or alter any terms of this Medical Expense Conversion Program.

**NOTE TO PRODUCER**

**Complete this section and accompany this Notice with a copy of your state Broker's License.**

\_\_\_\_\_  
NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
ADDRESS

CITY

STATE

ZIP

\_\_\_\_\_  
TELEPHONE

FAX

\_\_\_\_\_  
INSURANCE LICENSE NUMBER AND STATE

\_\_\_\_\_  
 AGENT, WHAT LINES

\_\_\_\_\_  
 BROKER, WHAT LINES

\_\_\_\_\_  
FEDERAL I.D. NUMBER OR SOCIALSECURITY NUMBER

I warrant that I have reviewed all enrollment materials and to the best of my knowledge and belief all statements in the Notice of Participation are complete and true. I understand that I represent the interest of the Applicant for participation, not Celtic Insurance Company, and have advised my client not to terminate any existing coverage until receiving notice that the participation being applied for by this application is accepted. I understand that I have no right to bind this participation, to alter terms of the Application in any manner, or to adjust any claim for benefits under any Insurance Contract.

\_\_\_\_\_  
BY

DATE

To enroll your organization in this Medical Expense Conversion Program, you need to fill out the Note to Producer, execute the Notice of Participation, and submit both along with the requested documents to Celtic Insurance Company.

The following must be submitted **PRIOR** to the effective date of the Medical Expense Conversion Program. All supporting documents not mailed with the original enrollment submission must be received within 30 days or the effective date of coverage will be delayed until documents are provided.

**1. Completed Notice of Participation in the SIR Trust.**

The Notice should include the legal name of the group, listing all affiliates and/or subsidiaries.

**2. Completed Note to Producer.**

**3. Copy of the plan document.**

**4. Employee census.**

Census must be current as of the date of inception and must match the requested number of lives reflected on the application. The group must have a minimum of 50 lives.

**5. Amendment to plan.**

*The employer's plan document must be amended to agree with the conversion privilege requirements of Celtic.* Execution of the Notice of Participation will satisfy the requirements of Celtic. The employer's legal counsel should be consulted for advice on amending the plan document and notifying employees.

**6. Subscription Fees.**

- Groups between 50-199 may pay semi-annually or annually.
- Groups between 200-499 may pay quarterly, semi-annually or annually.
- Groups of 500 or more may pay monthly, quarterly, semi-annually, or annually.

The group will be officially accepted as a Participating Employer of the SIR Trust when all the above requirements have been met. You will be notified in writing of the acceptance of your application and of the effective date of coverage for your employees.

Mail completed Note to Producer, Notice of Participation, required documents and subscription fees to:

**Celtic Insurance Company  
Celtic Conversion Program  
P.O. Box 06469  
Chicago, IL 60606**