

for Insurers



CONVERSION
P R O G R A M

CELTIC

Earning your trust, every day



*A Savings Opportunity for You.
A Quality Program for Your Clients.*

The Celtic Conversion Program

For health insurance companies, providing Medical Conversion Coverage is part of the cost of doing business. With ever-escalating claims and administrative expenses, and increasingly complex regulation, the cost associated with offering Conversion Coverage is growing all the time. Celtic's Medical Conversion Program provides an easy, more efficient method of managing your Conversion Coverage at a fixed and modest price.

Celtic's Medical Conversion Program takes the burden, costs, and responsibility off of your company's shoulders, while still providing your clients with the conversion plans they require. Transferring this responsibility will allow your company to make better use of its resources, which are currently tied-up in conversion management. Let Celtic start handling your future Medical Conversions today.

RELIEF FROM THE CONVERSION HEADACHE

For health insurance carriers large and small, Medical Conversion Coverage is an expensive but unavoidable proposition. Staffing a Conversion department with all of the necessary personnel—including compliance analysts, actuaries, underwriters, claims examiners, billing and collections, customer service and other

support people—can be a significant financial drain to your organization. However, with Conversion Coverage a legal requirement in virtually every state, it is a responsibility that cannot be ignored.

A COST-EFFECTIVE SOLUTION

By issuing coverage to your future convertees on Celtic's paper and performing all the administration, we assume all of the risk and handle all of the paperwork for your new conversion cases. Over the years, many insurers have found Celtic Conversion to be a less expensive alternative than maintaining their own Conversion block. Outsourcing future conversions to Celtic in exchange for a low per insured per month fee may provide a number of valuable benefits, including:

Risk Management - The modest monthly fees charged for Celtic Conversion may be less expensive and thus, a welcome alternative to the claims dollars carriers would otherwise have to pay if they manage their own conversion block.

Administration - Administering conversion coverage and paying claims in multiple states can be cumbersome and expensive. The opportunity to free up valuable resources can represent a significant cost savings.

Compliance - Celtic's Conversion Program is available nationwide. The program assumes the compliance risk for future convertees by tracking and implementing each state's new mandates and pricing requirements as they become effective. This saves carriers what can otherwise be a very costly and time consuming task.

COVERAGES AVAILABLE TO YOU

Celtic Conversion Plans are well suited for most direct-writing carriers, including both their fully-insured and stop-loss plans. Celtic also provides its Conversion Program to reinsurers on fully-reinsured blocks of business, which may include HMOs and other managed care organizations. Guaranteed issue conversion coverage may be made available to members who lose their coverage due to: their moving out of an HMO's service area (Out-of-Area), for certain other reasons while remaining within the service area (In-Area), or, in certain instances, due to the financial insolvency of the HMO. However, Celtic does not provide conversion coverage in the event that an insured person loses coverage due to an insurer's or reinsurer's discontinuation of a plan or withdrawal from a state.

Convertees are offered a choice of several different plans of comprehensive major medical coverage, all guaranteed issue and free of any pre-existing condition limitation. For those persons who need coverage for only a limited period of time and who qualify, may also choose Celtic's low-cost Short-Term Health Plan.

HOW TO ENROLL IN CELTIC'S CONVERSION PROGRAM

Celtic's Conversion Program is as easy to use as it is economical. Simply...

- Sign an Agreement to Provide Medical Conversion with Celtic
- Remit the proper fee per insured per month to Celtic
- Submit a fee report (Your Celtic Special Health Sales Team will have more details.)
- Distribute a supply of the Your Rights Your Options conversion brochures to your administrators so that they are available to your insureds when they become eligible.

EASY TO IMPLEMENT— FOR YOU AND YOUR INSURED

Celtic's Conversion Program is designed to eliminate any administrative problems or headaches. The details of the program are spelled out clearly in an easy-to-understand Your Rights Your Options Brochure which tells your insureds how to apply.

Your only obligation will be to make certain that you or your administrators distribute a copy of the Your Rights Your Options Brochure to potential convertees in advance of their becoming eligible. Then, if an insured chooses to accept Celtic's Conversion Coverage, it will be his/her responsibility to ask the employer or administrator to complete their portion of the statement and to send the fully completed Your Rights Your Options Brochure to Celtic in a timely fashion.

INSURED ARE ELIGIBLE TO APPLY FOR CONVERSION COVERAGE IF THEY:

- Have been covered under the health plan for three consecutive months* immediately prior to losing their eligibility as an insured or an insured's dependent under the plan;
- Complete the maximum period permitted under continuation coverage if the group is subject to COBRA or equivalent requirements;
- Are not eligible for other insurance that would result in excessive coverage or over insurance (as determined by Celtic) if Conversion coverage was issued;
- Are under age 65 and not eligible for coverage under Medicare or any other program that would result in excessive coverage or over insurance (as determined by Celtic) if conversion coverage was issued;
- Submit a request for Conversion within 31 days** from the date their coverage under the health plan terminated
- Are not terminated due to the discontinuance of the plan by the insurer or reinsurer.
- Move out of an HMOs service area

* In some state individuals may be eligible regardless of how long they were covered under their group plan.

** In some states individuals may have more than 31 days in which to submit their request.

THE FOLLOWING DEPENDENTS MAY ALSO BE ELIGIBLE:

- A covered dependent child who has attained the maximum age under the group plan
- A child and/or spouse who is covered as a dependent under the group plan when the covered insured dies
- A covered dependent spouse who is divorcing or legally separating from a covered insured.

CELTIC'S EXPERIENCE MAKES IT WORK

Celtic Insurance Company has been the largest provider of stand-alone Conversion Coverage since 1979. Celtic strives to maintain its reputation within the benefits industry as the conversion specialists by providing superior service and excellent

administration. Celtic's financial stability is a model for the insurance industry, based on an investment portfolio of the highest quality bonds (NAIC Class I) and short-term investments. Celtic is rated "A –" Excellent by A.M. Best Company.

To find out how easy and affordable it can be for you and your insureds, contact a member of Celtic's Special Health Sales Team **(800) 849-4320**.



Solid, Strong, Committed . . .

these are the characteristics that have shaped Celtic Insurance Company. And they are representative of the way in which we conduct business. Celtic is a company known for financial stability. We have always protected our customers with a conservative investment strategy, and have earned an "A-" Excellent rating from A.M. Best Company. We also believe our quality products should be backed by superior service. So you can count on our well trained personnel to administer your policy efficiently and without delay.

CELTIC

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