

for Self-Funded Employer Groups



CONVERSION
P R O G R A M

CELTIC

Earning your trust, every day



*Guaranteed issue coverage
that makes sense for you
and your employees.*

The Celtic Conversion Program

Your employees have helped make your company a success. In return, you want to reward their loyalty and hard work with benefits that go beyond just their paychecks. One excellent and economical benefit you can provide is Celtic Conversion Coverage.

The need to convert from a group plan to an individual plan may be even greater than you think. Celtic Conversion Coverage shows your concern for the welfare of your employees and their dependents by making health coverage available to them when they are no longer covered under your group plan. By making Conversion Coverage available to your employees when they are no longer covered under your group plan you are providing your employees the same benefits that are required of groups which provide fully insured coverage.

Think about your own employees and imagine these situations:

- An employee of 30 years wants to take early retirement but has a chronic medical problem. He has already been turned down by three insurance companies and is getting worried that he may have to postpone retirement until he is eligible for Medicare.

- A valued employee tragically dies, leaving a widow and three children, one of whom has a serious ongoing medical condition. Or, a key employee has just gone through a difficult divorce but must still provide health coverage for an uninsurable ex-spouse. What will happen when their COBRA participation ends?
- The oldest daughter of a valued employee has just attained the maximum age under your group plan and no longer qualifies as an eligible dependent. She is not eligible for other group coverage and cannot qualify, due to health problems, for an individual major medical policy on her own, where can she turn?

CELTIC CONVERSION IS THE ANSWER

In situations like these, the guaranteed availability of uninterrupted major medical coverage to employees and their families—with no proof of insurability required—is a benefit that will be greatly appreciated. Regardless of whether or not they will ever need it, simply knowing that coverage will be available will provide them and you with a strong sense of security.

COBRA AND HIPAA ARE NOT ENOUGH

COBRA provides only a short-term solution; continuation under your group plan expires after 18 months (or 36 months for dependents). Although the recently-enacted Health Insurance Portability and Accountability Act (HIPAA) was intended to provide guaranteed access to health insurance for all employees and dependents when their group coverage expires, there are still “gaps” in the program. These “gaps” may exclude some individuals such as recent hires, individuals who had breaks in coverage, or have not been continuously covered for 18 or more months. In addition, the coverage available may vary by state and be too costly or insufficient to meet their needs.

CELTIC CONVERSION PROVIDES AN ADDITIONAL CHOICE

With Celtic Conversion your employees and their dependents will enjoy the “Safety Net” of guaranteed immediate access to health insurance without interruption. When your employees participation in your plan ends regardless of past or present medical history and pre-existing conditions they can convert their group coverage to an individual major medical policy. Celtic Conversion offers a variety of plans, deductibles, and lifetime maximums from which to choose. Coverage can remain in force regardless of attained age as long as premiums are paid on a timely basis.

A “FULLY-INSURED” BENEFIT FOR SELF-FUNDED EMPLOYERS

Conversion is typically a feature only of fully-insured plans, which are required by law to provide this benefit. Stop-loss plans are exempt from this requirement and conversion may or not be available as an option. Whether your company is fully or partially self-funded there is a Celtic Conversion Plan to meet your needs. And, Celtic Conversion is available in all states.

CONVERSION COVERAGE IS COST-EFFECTIVE

Providing the option of Conversion coverage to your employees and their dependents covered under your group plan can be surprisingly affordable—you pay only a modest monthly per employee fee.

CELTIC MAKES IT EASY FOR YOU AND YOUR EMPLOYEES

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 information packet which tells your employees how to apply.

Your only obligation will be to distribute the Your Rights Your Options Brochure with the employee statement completed in advance of their becoming eligible. Then, if your employee chooses to accept Celtic’s offer of Conversion Coverage, it will be his/her responsibility to send the completed Your Rights Your Option Brochure to Celtic in a timely fashion.

EMPLOYEES ARE ELIGIBLE TO APPLY FOR CONVERSION COVERAGE IF THEY:

- Have been covered under your group health plan for three consecutive months* immediately prior to losing their eligibility as an employee or 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 of that coverage under the group plan terminated.

* In some states 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 a spouse who is covered as a dependent under the group plan when the covered employee dies; or
- A covered dependent spouse who is divorcing or legally separating from a covered employee.

HOW TO ENROLL IN CELTIC'S CONVERSION PROGRAM

If your company is a self-funded group or association with at least 50 employees covered under your group plan, you can enroll in the program by meeting all of the following:

- Submit a signed Notice of Participation Agreement (Note: Coverage must be for 100% of the eligible employees)
- A copy of the current plan document
- Submit the required subscription fees

* Celtic recommends that you amend your group health plan document so it conforms with the Conversion program.

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 to add the Celtic Conversion Program to your employee benefit package, talk to your employee benefits representative or a member of Celtic's Special Health Sales Team at **(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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