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be financially responsible for the cost of the medical examination.

(d)(1) If the application is approved, OFEGLI will send the insured a check for the Living Benefit payment and an explanation of benefits. In addition, once the payment has been cashed or deposited, OFEGLI will send explanations of benefits to the insured's employing office and payroll office so that they will change basic insurance withholdings and contributions in accordance with § 870.1106.

(2) If the application is not approved, OFEGLI will notify the insured individual and the employing office. The decision will not be subject to administrative review. However, the insured individual may reapply at a later date if future circumstances warrant.

PART 871—STANDARD OPTIONAL LIFE INSURANCE

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AUTHORITY: 5 U.S.C. 8716; § 871.201(b) also issued under sec. 153 of Pub. L. 104–134, 110 Stat. 1321.

SOURCE: 49 FR 3039, Jan. 25, 1984, unless otherwise noted.

Subpart A—Administration and General Provisions

§ 871.101 Actions on the policy.

Optional life and accidental death and dismemberment benefits (referred to in this part as ''standard optional insurance'') shall be payable in accordance with an amendment to the policy purchased by OPM from the Metropolitan Life Insurance Co., 1 Madison Avenue, New York, N.Y. 10010, pursuant to section 8709 of title 5, United States Code, to provide group insurance coverage (referred to in this part as ''basic insurance''). Actions at law or in equity to recover on the policy, in which there is not alleged any breach of any obligations undertaken by the United States, shall be brought against the insurance company.

§ 871.102 Payment of benefits; designations of beneficiary.

Standard optional insurance in force on a person at the date of his/her death shall be paid, on receipt of a valid claim, in the same order of precedence and under the same conditions as are applicable to basic insurance. A designation of beneficiary for basic insurance is also a designation of beneficiary for standard optional insurance unless the insured person specifies otherwise in his/her designation.

§ 871.103 Correction of errors; initial decision and reconsideration.

The rules and procedures under §§ 870.102 and 870.103 are applicable in this part, subject to the provisions of § 871.401(g).

[59 FR 66437, Dec. 27, 1994]

§ 871.104 Definitions.

The terms defined under § 870.104 of this chapter have the same meanings in this part.

[51 FR 39363, Oct. 28, 1986, as amended at 59 FR 66437, Dec. 27, 1994]

Subpart B—Coverage

§ 871.201 Eligibility.

(a) Each employee who is insured for basic insurance and for whom an uncanceled declination of standard optional insurance is not in effect is eligible to elect the standard optional insurance, if his/her periodic pay, after all other deductions, is sufficient to cover its full cost.

(b) An employee of the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority) who makes an election under the Technical Corrections to Financial Responsibility and Management Assistance Act (section 153 of Public Law 104–134, 110 Stat. 1321) to be considered a Federal employee for life insurance and other benefit purposes is subject to this part. If the employee is eligible to make an election under § 871.202, such election must be made within 31 days after the later of either the date employment with the Authority begins or the date the Authority receives his or her election to be considered a Federal employee. Employees of the Authority who are former Federal employees are subject to the provisions of § 871.205 and § 871.604.

[49 FR 3039, Jan. 25, 1984, as amended at 61 FR 58459, Nov. 15, 1996]

§ 871.202 Election or declination.

(a) Except as otherwise provided in paragraph (b) this section, each employee shall, on the form entitled Life Insurance Election, elect or decline the standard optional insurance within 31 days after becoming eligible, unless during earlier employment he/she filed an election or declination which remains in effect.

(b) On a determination by an employing office, within six months after an employee becomes eligible, that he/she was unable, for cause beyond his/her control, to elect the standard optional insurance within the prescribed time limit, the employee shall elect or decline the standard optional insurance within 31 days after he/she is advised of that determination. Standard optional insurance in that case is retroactive to the first day of the first pay period beginning after the date the person became eligible, or after April 1, 1981, whichever is later, and the person shall pay the full cost of the insurance from that date for the time that he/she is in pay status or retired or in receipt of compensation and under age 65.

(c) A person who does not file with his/her employing office an election of standard optional insurance on the Life Insurance Election form does not have the standard optional insurance.

§ 871.203 Effective date of insurance.

(a) The effective date of an election of standard optional insurance is the first day an employee actually enters on duty in a pay status on or after the day the election is received in his/her employing office.

(b) An election of standard optional insurance remains in effect until canceled as provided in § 871.204. For an employee whose standard optional insurance has stopped for a reason other than a declination or waiver, standard optional insurance is reinstated on the first day he/she actually enters on duty in a pay status in a position in which he/she again becomes eligible.

(c) An open enrollment election of standard optional insurance filed during the period from March 29 through April 30, 1993, is effective on the first day of the first pay period beginning on or after May 30, 1993, which immediately follows a pay period during which the employee was in a pay and duty status for at least 32 hours. A part-time employee will need to have been in a pay and duty status for one-half of the regularly scheduled tour of duty indicated on his or her current Standard Form 50 for newly-elected coverage to become effective. An employee who has no regularly-scheduled tour of duty or who is employed on an intermittent basis will have to have been in a pay and duty status for one-half of the hours customarily worked before newly-elected coverage can become effective. For the purpose of this