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(3) Has had additional optional insurance in force for the 5 years of service immediately preceding separation from reemployment or for the full period(s) of service during which it was available to him/her, whichever is less.

If the additional optional insurance acquired during reemployment is so continued, any suspended additional optional insurance stops with no 31-day extension of coverage or right of conversion.

§ 872.605 Restored disability annuitants.

(a) An annuitant whose disability annuity is terminated because of restoration to earning capacity or recovery from disability and whose disability annuity is restored under section 8337(e) of title 5, United States Code, after December 31, 1983, may elect to resume additional optional insurance held immediately before his or her disability annuity was terminated if: (1) He or she made an election under § 870.603 of this chapter and (2) the election is received by OPM within 60 days after OPM mails the notice of insurance eligibility and election form.

(b) The additional optional insurance of an annuitant who meets the requirements of paragraph (a) of this section is effective on the first day of the month after the date OPM receives the election form. Any annuity withholdings applicable thereto are also reinstated on the first day of the month after the date OPM receives the election form.

(c) The amount of additional optional insurance reinstated under paragraph (a) of this section is the amount that would have been in force had the individual's annuity not been terminated.

[50 FR 42006, Oct. 17, 1985, and 51 FR 15744, Apr. 28, 1986]

§ 872.606 MRA-plus-10 annuitants.

The additional optional life insurance of an individual whose coverage terminated under § 872.501(a), and who meets the requirements for continuing additional optional insurance after retirement under § 872.501(b), resumes on the commencing date of annuity or on the date the application for annuity is received by OPM, whichever is later.

[55 FR 995, Jan. 11, 1990]

Subpart G—Assignments of Life Insurance

§ 872.701 Assignments.

An insured individual may irrevocably assign ownership of his or her life insurance coverage to one or more individuals, corporations, or trustees. Part 874 of this chapter describes how an insured individual may assign all incidents of ownership (except family optional insurance and accidental dismemberment insurance) to another person, corporation, or trustee. Part 874 also describes the effects of such assignment, procedures for making an assignment, and related matters.

[60 FR 51883, Oct. 4, 1995]

PART 873—FAMILY OPTIONAL LIFE INSURANCE

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AUTHORITY: 5 U.S.C. 8716; §873.201(b) also issued under sec. 153 of Pub. L. 104–134, 110 Stat. 1321.

SOURCE: 49 FR 3045, Jan. 25, 1984, unless otherwise noted.

Subpart A—Administration and General Provisions

§873.101 Actions on the policy.

Optional life insurance on family members (referred to in this part as ''family 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.

§873.102 Payment of benefits.

(a) Upon the death of an insured family member, family optional insurance benefits will be paid to the employee, annuitant, or compensationer responsible for withholdings under §873.401, except as provided in paragraph (b) of this section.

(b) Notwithstanding an assignment of life insurance under part 874, if the employee, annuitant, or compensationer dies before benefits are paid under this part, family optional insurance will be paid to the person(s) eligible for basic insurance benefits under 5 U.S.C. 8705(a).

[51 FR 39363, Oct. 28, 1986, as amended at 54 FR 13666, Apr. 5, 1989, and 54 FR 37093, Sept. 7, 1989]

§873.103 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 §873.401(e).

[59 FR 66437, Dec. 27, 1994]

§873.104 Definitions.

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

[49 FR 3045, Jan. 25, 1984, as amended at 59 FR 66437, Dec. 27, 1994]

Subpart B—Coverage

§873.201 Eligibility

(a) Each employee who is insured for basic insurance and for whom uncanceled declination of family optional insurance is not in effect is eligible to elect the family 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 §873.202, 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 §873.205 and §873.604.

[49 FR 3045, Jan. 25, 1984, as amended at 61 FR 58460, Nov. 15, 1996]

§873.202 Election or declination.

(a) Except as otherwise provided in paragraph (b) of this section, each employee shall, on the form entitled Life Insurance Election, elect or decline the family optional insurance within 31 days after becoming eligible, unless