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874.302 Effective date of the assignment.
874.303 Notification of current address.
874.304 Reconsideration.

Subpart D—Amount of Insurance and Withholdings and Contributions

874.401 Amount of Insurance.
874.402 Withholdings and contributions.

Subpart E—Termination and Conversion

874.501 Termination.
874.502 Eligibility to convert.
874.503 Rates for converted insurance.
874.504 Notification of conversion rights.

Subpart F—Designations of Beneficiary

874.601 Designations and changes of beneficiary.

Subpart G—Annuitants and Compensationers

874.701 Annuitants and compensationers.
874.702 Reemployed annuitants.

AUTHORITY: 5 U.S.C. 8716.

SOURCE: 60 FR 51884, Oct. 4, 1995, unless otherwise noted.

Subpart A—Definitions of Terms

§874.101 Definitions.

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

Subpart B—Coverage

§874.201 Assignments permitted.

(a) An insured individual may irrevocably assign ownership of life insurance coverage to one or more individuals, corporations, or trustees. An insured individual may assign ownership of basic life insurance, standard optional life insurance, and additional optional life insurance coverage, but may not assign ownership of family optional insurance or accidental dismemberment coverage. If an insured individual owns more than one assignable type of insurance, he or she must assign all the assignable insurance. An insured individual cannot assign only a portion of assignable insurance.

(b) An insured individual may not name contingent assignees in case the primary assignee dies before the insured individual.

(c) If the insurance is assigned to two or more individuals, corporations, or trustees, the insured individual must specify percentage shares, rather than dollar amounts or types of insurance, to go to each assignee.

(d) Once assigned, the value of the insurance increases or decreases according to any automatic increase or decrease in the value of the coverage as provided for in parts 870, 871, and 872 of this chapter.

(e) An insured individual who has elected a Living Benefit under subpart K of part 870 of this chapter may not assign his or her insurance coverage and an insured individual who has assigned his or her insurance coverage may not elect a Living Benefit.

(f) [reserved]

(g) An insured individual who has elected a Living Benefit may not assign his/her insurance and an insured individual who has assigned his/her insurance may not elect a Living Benefit. [60 FR 51884, Oct. 4, 1995 as amended at 60 FR 31375, June 15,1995]

§874.202 Rights of the assignee.

(a) An insured individual who assigns ownership of insurance continues to be the insured individual, but the assignee assumes the rights of an insured individual, except as provided in §874.203 of this part.

(b) The assignee assumes all rights to waive or decline insurance under this chapter according to the provisions of §§870.204, 871.204, and 872.204 of this chapter. When the insurance is assigned to two or more individuals, corporations, or trustees, all assignees must agree to waive or decline the insurance. A waiver of the basic insurance in accordance with the provisions of §870.204 of this chapter terminates all insurance under this chapter and terminates the assignment under this part.

(c) The assignee may not elect a Living Benefit under subpart K of part 870 of this chapter.

(d) The right of the assignee to designate beneficiaries is set forth in subpart F of this part.

(e) The rights of the assignee when the insured individual retires or becomes a compensationer are set forth in subpart G of this part.