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§ 874.203 Rights of the insured individual after assignment.

(a) The right to increase insurance coverage remains with the insured individual and does not transfer to the assignee. If the insured individual who has made an assignment later elects increased insurance under § 871.205 or § 872.205 of this chapter, or during an open enrollment period, the increased insurance is considered covered by the existing assignment.

(b) The rights of an insured individual who assigns his or her life insurance and later retires are set forth in subpart G of this part.

Subpart C—Assignment Procedures

§ 874.301 Making an assignment.

To assign insurance, the insured individual must complete and submit to the employing office a signed and witnessed assignment form (RI 76–10) indicating the intent to irrevocably assign all assignable incidents of ownership in the insurance.

§ 874.302 Effective date of the assignment.

An assignment under this part is effective on the date the employing office receives the properly completed, signed, and witnessed assignment form.

§ 874.303 Notification of current address.

Each assignee is responsible for keeping the insured individual's employing office advised of his or her current address.

§ 874.304 Reconsideration.

An insured individual or an assignee may request the employing agency to reconsider an employing office's initial determination denying an entitlement related to assignments. The rules and procedures under §§ 870.102 and 870.103 are applicable to this part, subject to the withholdings and contributions under § 874.402 of this part.

Subpart D—Amount of Insurance and Withholdings and Contributions

§ 874.401 Amount of insurance.

The amount of insurance is based on the insured individual's basic pay as specified in subpart C of parts 870, 871, and 872 of this chapter.

§ 874.402 Withholdings and contributions.

(a) Subject to the provisions of subpart D of parts 870, 871, and 872 of this chapter, premium payments for assigned insurance are withheld from the pay, annuity, or compensation of the covered individual.

(b) Assignees of insured individuals who are retired under the Federal Employees Retirement System and whose annuities are too low to cover the life insurance premiums may make the direct premium payments described in §§ 870.401(j), 871.401(i), and 872.401(i) of this chapter if the annuitant declines to make direct payment. In such cases, the retirement system must notify the assignees. In the case of multiple assignees, each assignee who chooses to make direct payment is responsible for the percentage of the total premium representing his or her portion of the insurance.

(c) When the amount of insurance continued under § 874.701(d) is not an even multiple of $1,000, withholding is based on the amount of insurance rounded to the next lower thousand.

Subpart E—Termination and Conversion

§ 874.501 Termination.

(a) Assigned insurance terminates under the conditions stated in subpart E of parts 870, 871, and 872 of this chapter.

(b) The assignment terminates 31 days after the insurance terminates, unless the covered individual is reemployed in or returns to a position in which he or she is entitled to coverage under this chapter before the expiration of the 31-day period following termination of insurance.