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lieu of annuity is computed in accordance with § 870.702 of this part.

[49 FR 3034, Jan. 25, 1984, as amended at 53 FR 19743, May 31, 1988; 60 FR 31373, June 15, 1995; 60 FR 51883, Oct. 4, 1995]

§ 870.702 Amount of life insurance.

(a) The amount of basic life insurance of a compensationer whose insurance is continued while he/she is receiving compensation is his/her BIA at the date insurance would otherwise have stopped because of his/her separation from service or completion of 12 months of nonpay status, less the reductions, if any, applicable under § 870.701(c). For the purpose of the payment of benefits upon the death of an insured individual under age 45, effective October 1, 1981, the BIA shall be mulitplied by the age factor under § 870.301(b) corresponding to the insured's age on the date of death, provided that his/her basic insurance as an employee terminated on or after October 10, 1980.

(b) The post-election BIA of a compensationer who elected a partial Living Benefit as an employee is the BIA as of the date OFEGLI received the completed Living Benefit application reduced by the percentage which the partial lump-sum payment represents of the pre-election BIA multiplied by the age factor as stated in § 870.301(b) (rounded up or down to the nearest multiple of $1,000 or, if midway between multiples, to the next higher multiple of $1,000). For the purpose of computing the payment of benefits upon the death of an insured compensationer who elected a partial Living Benefit as an employee, the BIA will be multiplied by the age factor in effect as of the date OFEGLI received the completed Living Benefit application.

[49 FR 3034, Jan. 25, 1984, as amended at 60 FR 31373, June 15, 1995]

Subpart H—Assignments of Life Insurance

§ 870.801 Assignments.

(a) 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.

(b) If an individual has assigned his/her insurance, he/she may not elect a Living Benefit and if an individual has elected a Living Benefit, he/she may not assign his/her insurance.

[51 FR 39363, Oct. 28, 1986, as amended at 60 FR 31374, June 15, 1995; 60 FR 51883, Oct. 4, 1995]

Subpart I—Order of Precedence and Designation of Beneficiary

§ 870.901 Order of precedence.

(a) *Definitions.* For the purposes of this part, the following terms are defined as follows:

(1) *Child* means a legitimate child, an adopted child, or a recognized natural child but does not include a stillborn child, a stepchild, or a foster child. An individual who has attained age 18 is considered to be an adult. However, if the age of majority in the jurisdiction in which that individual is domiciled is set at a lower age, he or she is considered to be an adult upon attaining the age designated in that jurisdiction. An adopted child does not inherit under the order of precedence specified in 5 U.S.C. 8705, other than as a designated beneficiary, from his/her natural parents but inherits from and through his or her adoptive parents. However, a child who is adopted by the spouse of his or her natural parent does inherit from that natural parent.

(2)(i) A *recognized natural child,* with respect to paternity, is one for whom the father meets one of the following:

(A) Has acknowledged paternity in writing;

(B) Has been judicially ordered to provide support;

(C) Has, before his death, been judicially decreed to be the father;

(D) Has been established as the father by a certified copy of the public record of birth or church record of baptism if the insured was the informant and so