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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.

### §874.502 Eligibility to convert.

(a) When an insured individual's insurance terminates under the conditions set forth in subpart E of parts 870, 871, and 872 of this chapter, an assignee has the right to convert all or a portion of his or her group life insurance to an individual policy on the insured individual. The conditions specified in subpart E of those parts apply to assignees who elect to convert.

(b) When insurance is assigned to more than one assignee, each assignee has the right to convert all or part of his or her share of the insurance. Except as provided in §874.701 of this part, any assignee who does not convert loses all interest in the insurance.

(c) When multiple assignees convert the assigned insurance to individual policies on the insured individual in accordance with this subpart, the maximum amount of insurance each assignee can convert is determined by the assignee's share of total insurance under this chapter. If such amount is not a multiple of $1,000, it is rounded up to the next thousand dollars.

### §874.503 Rates for converted insurance.

Rates for converted life insurance are based on the insured individual's age and class of risk at the time the conversion policy is issued.

### §874.504 Notification of conversion rights.

The employing office must notify each assignee of his or her conversion right at the time the assigned group insurance terminates.

## Subpart F—Designations of Beneficiary

### §874.601 Designations and changes of beneficiary.

(a) An assignment automatically cancels an insured individual's prior designation of beneficiary.

(b) Each assignee may designate a beneficiary or beneficiaries to receive insurance proceeds upon the death of the insured individual. An assignee may designate himself or herself as the primary beneficiary and name some other person(s) as contingent beneficiary(ies) to receive insurance benefits in the event that the assignee predeceases the insured individual.

(c) Assigned insurance is paid to an assignee's estate if the assignee predeceases the insured individual and—

(1) The assignee did not reassign the insurance,

(2) The assignee did not designate a beneficiary, or

(3) The assignee's designated beneficiary predeceased the insured individual.

(d) The provisions of §870.902 of this chapter apply to designations of beneficiary filed by assignees.

## Subpart G—Annuitants and Compensationers

### §874.701 Annuitants and compensationers.

(a) If an insured individual assigns basic insurance coverage under this chapter and later becomes eligible to continue such coverage while receiving annuity or workers' compensation as provided under §870.601(a) or §870.701(a) of this chapter, the insured individual may, at the time he or she becomes eligible to continue such insurance as an annuitant or compensationer, elect increased lifetime basic insurance coverage as provided in §870.601(c) (3) and (4) or §870.701(c) (3) and (4) of this chapter.

(b) After the insured individual has made an election as described in paragraph (a) of this section, the assignee (or, in cases of multiple assignees, all of the assignees acting together) may, at any time, elect to cancel the annuitant's or compensationer's election of increased lifetime basic insurance as provided in §870.601(c) or §870.701(c) of this chapter.

(c) When multiple assignees have been named and, at the time the insured individual becomes eligible for continued coverage as an annuitant under §§870.601, 871.501, and/or 872.501 of this chapter, some assignees choose to convert their portions and others choose to have their portions of insurance continued during the insured individual's retirement, the amount of each type of continued insurance is the total percentage of the shares of the