

§ 870.902

insured individual, but the assignee receives those rights of an insured individual that are specified in this part.

(f) Once assigned, the value of the insurance increases or decreases automatically as provided by this part. Exception: if the insured individual elected a Living Benefit before assigning the remainder of his/her insurance, the amount of Basic insurance does not increase or decrease.

(g) An insured individual who has assigned his/her insurance cannot elect a Living Benefit; nor can an assignee elect a Living Benefit on behalf of the insured individual.

(h) An insured individual who has elected a Living Benefit under subpart K of this part may assign the remainder of his/her insurance. The assignment would affect Option A, Option B, and, for an employee who elected a partial Living Benefit, Basic insurance.

(i) A court order can direct that an insured individual make an irrevocable assignment to the person(s) named in the court order. For an assignment to be effective, the insured individual must follow the procedures in § 870.902.

[62 FR 48731, Sept. 17, 1997, as amended at 64 FR 16602, Apr. 6, 1999]

§ 870.902 Making an assignment.

(a) To assign insurance, an insured individual must complete an approved assignment form. Only the insured individual can make an assignment; no one can assign on behalf of an insured individual.

(b) The individual must submit the completed and signed form to the appropriate office indicating the intent to irrevocably assign all ownership of the insurance. The form must also be witnessed and signed by 2 people.

(1) For employees, the appropriate office is the employing office.

(2) For annuitants and compensationers, the appropriate office is OPM.

(3) For employees and former employees who have ported Option B coverage, the appropriate office is the Portability Office.

[64 FR 72464, Dec. 28, 1999]

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§ 870.903 Effective date of assignment.

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

§ 870.904 Amount of insurance.

The amount of insurance is the amount of the insured individual's Basic insurance, plus any Option A and Option B coverage.

§ 870.905 Withholdings.

Premium withholdings for assigned insurance are withheld from the salary, annuity, or compensation of the insured individual, as provided in subpart D of this part.

§ 870.906 Cancellation of insurance.

(a) The right to cancel (or reduce) insurance transfers to the assignee; the insured individual cannot cancel (or reduce) insurance after making an assignment.

(b) The assignee has the right to cancel insurance according to the provisions of §§ 870.502 and 870.505. When there is more than one assignee, all assignees must agree to the cancellation. A cancellation of Basic insurance also cancels all Optional insurance.

§ 870.907 Termination and conversion.

(a) Assigned insurance terminates under the conditions stated in subpart F of this part.

(b)(1) When an insured individual's insurance terminates, an assignee has the right to convert all or part of the group insurance to an individual policy on the insured individual. The conditions stated in subpart F of this part apply to assignees who elect to convert.

(2) When there is more than one assignee, each assignee has the right to convert all or part of his/her share of the insurance. Any assignee who doesn't convert loses all ownership of the insurance.

(3) When there is more than one assignee, the maximum amount of insurance each assignee will be able to convert is determined by the dollar amount corresponding to the assignee's share of the total insurance. This amount will be rounded up to the next