

§ 870.701

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right to convert to an individual policy. The extension cannot be continued beyond 31 days.

Subpart G—Annuitants and Compensationers

§ 870.701 Eligibility for life insurance.

(a) When an insured employee retires, Basic life insurance (but not accidental death and dismemberment) continues or is reinstated if he/she:

(1) Is entitled to retire on an immediate annuity under a retirement system for civilian employees, including the retirement system of a non-appropriated fund instrumentality of the Department of Defense or the Coast Guard;

(2) Was insured for the 5 years of service immediately before the date the annuity starts, or for the full period(s) of service during which he/she was eligible to be insured if less than 5 years; and

(3) Has not converted to an individual policy as described in § 870.603. If it is determined that an individual is eligible to continue the group coverage as an annuitant after he/she has already converted to an individual policy, the group enrollment may be reinstated. If the individual wants the group coverage reinstated, the conversion policy must be voided, the group policy must be reinstated retroactively, and the premiums already paid on the conversion policy must be refunded to the individual.

(b) Following separation or the completion of 12 months' nonpay status, a compensationers' Basic life insurance (but not accidental death and dismemberment) continues or is reinstated if he/she:

(1) Has been insured for the 5 years of service immediately before the date of entitlement to compensation, or for the full period(s) of service during which he/she was eligible to be insured if less than 5 years; and

(2) Has not converted to an individual policy as described in § 870.603. If it is not determined that an individual is eligible to continue the group coverage as a compensationers until after he/she has converted, the group enrollment may be reinstated. If the individual wants the group coverage reinstated,

the conversion policy must be voided, the group policy must be reinstated retroactively, and the premiums already paid on the conversion policy must be refunded to the individual.

(c) An individual who meets the requirements under paragraphs (a) or (b) of this section or § 870.706 for continuation or reinstatement of life insurance must complete an election, in a manner designated by OPM, at the time entitlement is established. For the election to be valid, OPM must receive the election before OPM has made a final decision on the individual's application for annuity or supplemental annuity or an individual's request to continue life insurance as a compensationers. If there is no valid election, OPM considers the individual to have chosen the option described in paragraph (a)(2) of § 870.702.

(d) If the annuity or compensation of an insured individual is terminated, or if the Department of Labor finds that an insured compensationers is able to return to duty, his/her Basic life insurance held as an annuitant or compensationers stops on the date of the termination or finding. There is no 31-day extension of coverage or conversion right.

(e)(1) An annuitant or compensationers who is eligible to continue or have reinstated Basic insurance is also eligible to continue or have reinstated Optional insurance if he/she meets the same coverage requirements for Optional insurance as those stated in paragraph (a) or (b) of this section for Basic insurance.

(2) For the purpose of continuing insurance as an annuitant or compensationers, an employee is not considered to have been eligible for Option C during any period when the employee had no eligible family members.

§ 870.702 Amount of Basic insurance.

(a) The amount of Basic insurance an annuitant or compensationers can continue is the BIA on the date insurance would otherwise have stopped because of the individual's separation from service or completion of 12 months in nonpay status. The amount of Basic insurance in force is the BIA minus any reductions applicable under § 870.703(a).