

compensation's election of increased coverage, as provided in § 870.702(b). The right to cancel the election transfers to the assignee; the annuitant or compensation's election cannot cancel the election after making an assignment. Exception: if the individual elected a partial Living Benefit as an employee under subpart K of this part, the assignee(s) cannot cancel the election of unreduced insurance coverage.

(b) When more than one assignee has been named, at the time the insured individual becomes eligible to continue coverage as an annuitant or compensation's election, some assignees may choose to convert their part of the insurance, while others may choose to continue the coverage during the insured individual's retirement or receipt of compensation. The amount of each type of continued insurance is determined by the total percentage of the shares of the assignees who choose to continue the coverage.

(c)(1) When an annuitant who has assigned his/her insurance is reemployed in a position in which he/she is entitled to life insurance coverage, the coverage he/she acquires as a reemployed annuitant is subject to the existing assignment.

(2) The right of a reemployed annuitant to elect Option B coverage as an employee rather than as an annuitant under § 870.705(d)(3) remains with the insured individual and does not transfer to the assignee. Any Option B coverage elected as an employee is subject to the existing assignment.

§ 870.909 Designations and changes of beneficiary.

(a)(1) An assignment automatically cancels an insured individual's prior designation of beneficiary. After making an assignment, an individual cannot designate a beneficiary; the right to designate beneficiaries transfers to the assignee.

(2) Each assignee may designate a beneficiary or beneficiaries to receive insurance benefits upon the death of the insured individual and may also later change the beneficiaries. An assignee may designate himself/herself the primary beneficiary and name another contingent beneficiary(ies) to re-

ceive insurance benefits if the assignee dies before the insured individual.

(b) Benefits for assigned insurance are paid to the assignee(s) if the assignee(s) did not designate a beneficiary.

(c) Benefits for assigned insurance are paid to an assignee's estate if the assignee dies before the insured individual and:

(1) The assignee (or the assignee's heirs) did not designate a beneficiary; or

(2) The assignee's designated beneficiary dies before the insured individual.

(d) The provisions of § 870.802 apply to designations of beneficiary made by assignees.

§ 870.910 Notification of current addresses.

Each assignee and each beneficiary of an assignee must keep the office where the assignment is filed informed of his/her current address.

Subpart J—Benefits for United States Hostages in Iraq and Kuwait and United States Hostages Captured in Lebanon

§ 870.1001 Purpose.

This subpart sets forth the conditions for life insurance coverage according to the provisions of section 599C of Pub. L. 101-513 (104 Stat. 2035).

§ 870.1002 Definitions.

In this subpart:

Hostage and *hostage status* have the meaning set forth in section 599C of Pub. L. 101-513 (104 Stat. 2035).

Pay period for individuals insured under this subpart means the pay period set by the U.S. Department of State.

Period of eligibility means the period beginning on the effective date set forth in § 870.1004 and ending 12 months after hostage status ends for hostages in Iraq and Kuwait and 60 months after hostage status ends for hostages captured in Lebanon.

§ 870.1003 Coverage and amount of insurance.

(a) An individual is covered under this subpart when the U.S. Department