

3 FAM 3620 FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI) PROGRAM

*(CT:PER-563; 08-30-2005)
(Office of Origin: HR/ER/WLP)*

3 FAM 3621 AUTHORITY

3 FAM 3621.1 Legal Authority

*(CT:PER-563; 08-30-2005)
(Uniform State/USAID/BBG/ Commerce/Foreign Service Corps/USDA)
(Applies to Foreign Service & Civil Service Employees)*

The legal authorities for the Employee's Group Life Insurance Program are found in:

- 5 U.S.C., Chapter 87
- 5 CFR, Part 870
- *In addition, the Office of Personnel Management (OPM) has published the FEGLI Handbook to provide policies and procedures of the FEGLI Program and to provide additional guidance to those enrolled in the FEGLI Program, their employing offices, and beneficiaries*
- *FEGLI Handbook is available on the OPM website*

3 FAM 3622 APPLICABILITY

*(CT:PER-563; 08-30-2005)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)
(Applies to Foreign Service & Civil Service Employees)*

- a. The administrative responsibilities and internal procedures described in this subchapter apply to all eligible Foreign Service employees of the participating agencies (Department of State, USAID, Commerce and the Foreign Service Corps of USDA), and to Civil Service employees of the Department of State.*

- b. These regulations address only certain aspects of the FEGLI Program. More comprehensive information is available through reference to the authorities referred to in 3 FAM 3621.1.*

3 FAM 3623 RESPONSIBILITIES

3 FAM 3623.1 U.S. Office of Personnel Management

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service Employees)

The U.S. Office of Personnel Management (OPM) is responsible for the Government-wide administration of the FEGLI program.

3 FAM 3623.2 Office of Federal Employees' Group Life Insurance

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. The FEGLI Program is underwritten by several private insurance companies, which share the risk of providing insurance to enrollees. The Office of Federal Employees' Group Life Insurance (OFEGLI), a unit of Metropolitan Life Insurance Company, is the administrative office established by the insurance companies, which underwrite the FEGLI program.*
- b. OFEGLI's responsibilities include processing and paying claims, determining eligibility for living benefits, eligibility to cancel a waiver of insurance based on medical evidence, and processing requests for conversion.*
- c. OFEGLI is located at P. O. Box 2627, Jersey City, NJ 07303-2627 and the telephone number is 1-800-633-4542. The overseas number is (212) 578-2975.*

3 FAM 3623.3 Agency Life Insurance Officer

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. *Within each Department or Agency’s Headquarters, a life Insurance Officer is designated as responsible for coordinator of the program. She or he is the liaison with OPM on life insurance within the Department or Agency, and provides input to OPM on Government-wide life insurance matters.*
- b. *Questions not adequately covered in this subchapter or in the applicable laws, regulations, and guidelines published by OPM, should be referred to the Life Insurance Officer listed below.*

State	HR/ER/WLP
USAID	M/HR/PMES
Commerce	USFCS/ <i>OFSHR</i>
Agriculture FAS	HRD/FSA
APHIS	IS/RMS

3 FAM 3623.4 Agency Designated Certifying Personnel Officer

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. Each agency designated certifying *human resources* or administrative officer, whether in the United States or at a post abroad, is responsible for:
 - Individual certification of an employee’s FEGLI status
 - *Counseling and providing information to employees about the FEGLI program*
 - *Performing the certifying agency responsibilities outlined in the FEGLI Handbook*
- b. These functions are performed under guidance received from OPM and instructions issued by the life insurance officer of the employee’s agency.

3 FAM 3624 TYPE OF INSURANCE

(CT:PER-563; 08-30-2005)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)
(Applies to Foreign Service & Civil Service Employees)

FEGLI is term insurance and builds no cash value. However, it can be assigned and BASIC life coverage can be cashed in for those employees who are terminal (nine months or less to live). It is intended as a form of immediate protection against financial hardship or loss in the event of death. A detailed explanation of the types of coverage available is found in [section 3 FAM 3625](#).

3 FAM 3625 KINDS OF COVERAGE

3 FAM 3625.1 Basic Coverage

(CT:PER-563; 08-30-2005)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)
(Applies to Foreign Service & Civil Service Employees)

- a. All eligible employees automatically have basic coverage unless they waive it.
- b. The amount of coverage is based on the employee's annual rate of pay. Normally, basic coverage equals the employee's per annum salary rounded up to the next thousand dollars, plus \$2,000, or \$10,000 (plus any applicable age multiplication factor).
- c. An employee must have basic coverage in order to elect optional insurance under the FEGLI program.

3 FAM 3625.2 Standard Optional—Option A

(CT:PER-563; 08-30-2005)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)
(Applies to Foreign Service & Civil Service Employees)

Option A – Standard in the amount of \$10,000.

3 FAM 3625.3 Additional Optional—Option B

(CT:PER-563; 08-30-2005)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)
(Applies to Foreign Service & Civil Service Employees)

Option B - Additional optional coverage under Option A permits an employee to elect an additional amount of insurance equal to 1, 2, 3, 4, or 5 times his/her annual rate of pay. If the employee's basic pay is not already an even thousand dollars, the amount of basic pay is rounded to the next highest \$1,000.

3 FAM 3625.4 Family Optional—Option C

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service employees)

a. Option C provides coverage for an employee's spouse and eligible dependent children. When the employee elects Option C, all of his or her eligible family members are automatically covered. The employee may elect 1, 2, 3, 4 or 5 multiples of coverage. Each multiple is equal to \$5,000 for the employee's spouse and \$2,500 for each eligible dependent child.

- For example, if you elect 3 multiples and your spouse dies, you would receive \$15,000 (3 times \$5,000). If one of your eligible dependent children dies, you would receive \$7,500 (3 times \$2,500)*

b. The number of multiples the employee elect applies to all of his or her eligible family members. The employee cannot elect a number of multiples for his or her spouse that is different from the number of multiples for his or her eligible dependent children.

c. A child's eligibility for Option C benefits ends once he/she reaches age 22, unless he or she is incapable of self-support because of a mental or physical disability that existed before the child reached age 22.

3 FAM 3626 LIVING BENEFITS ACT

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service Employees)

*a. The Living Benefits Act (Public Law 103-409) under FEGLI became effective July 25, 1995. It provides that an employee or annuitant who has been diagnosed as terminally ill and **now** has a life expectancy of 9 months or less, may cash in **his or her** BASIC life insurance only.*

b. Applications for Living Benefits should be requested directly from OFEGLI

at 1-800-633-4542 or if overseas at (212) 578-2975.

- c. Additional information is available on the OPM website and in the FEGLI Program Booklet FE 76-21.*

3 FAM 3627 ASSIGNMENT

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service Employees)

Effective October 3, 1994, Public Law 103-306 amended the life insurance law to allow employees and annuitants enrolled in FEGLI to assign their insurance to another person, firm, or trust. After the assignment the employee continues to pay the premiums, but someone else "owns" and controls the coverage. Living Benefits payments come from the Employees' Life Insurance Fund (part of the U.S. Treasury). Viatical settlement companies are private sector businesses not connected with the Federal Government. It is intended to help terminally ill (life expectancy of 24 months or less) employees and annuitants by giving them an influx of cash to finance medical care and improve the quality of their final days of life. Employees cannot apply in advance; you must be terminally ill at the time of application. The amount of cash received is a percentage of the face value of Basic, Option A and Option B. Once assignments are made they cannot be changed, canceled, or assigned to another person. Employees can elect living benefits only once. Additional information is found in the FEGLI Program Booklet FE 76-21.

3 FAM 3628 RECONSIDERATION AND APPEAL

(CT:PER-563; 08-30-2005)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corps/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. The Office of Employee Relations (HR/ER) or the Agency determines whether an employee is eligible to elect or increase life insurance coverage. Employees have the right to ask HR/ER or their life insurance officer to reconsider its initial denial of coverage or the opportunity to change coverage. Employees must make a request for reconsideration in writing within 30 days from the date of the Department's or Agency's initial decision.*
- b. The Office of Personnel Management (OPM) has delegated the authority to agencies to reconsider initial decisions pertaining to life insurance*

enrollment issues. Reconsideration consists of a review of an initial decision to determine whether laws and regulations were correctly applied. It is the employee's final level of administrative review for enrollment and coverage issues under FEGLI. For information on filing a request for reconsideration and appeal, *the employee should contact his or her* agency insurance officer (see section 3 FAM 3623.3).