

§ 870.803

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does not make a designation for these benefits and there is no previous valid designation on file, benefits will be paid according to the order of precedence shown in § 870.801(a).

(3) If a court order received in accordance with § 870.801(d) is subsequently modified without naming a new person to receive the benefits, and a certified copy of the modified court order is received by the appropriate office before the death of the insured, the insured individual can designate a beneficiary. Benefits will be paid according to the order of precedence shown in § 870.801(d) if the insured individual does not complete a new designation of beneficiary.

[62 FR 48731, Sept. 17, 1997; 62 FR 52181, Oct. 6, 1997, as amended at 64 FR 16602, Apr. 6, 1999; 64 FR 72464, Dec. 28, 1999; 75 FR 60585, Oct. 1, 2010]

§ 870.803 Child incapable of self-support.

(a) When it receives a claim for Option C benefits because of the death of a child age 22 or older, OFEGLI determines, based on whatever evidence it considers necessary, whether the deceased child was incapable of self-support because of a mental or physical disability which existed before the child reached age 22.

(b) If an employee elects Option C under § 870.506(a) (3), and the opportunity to elect is based solely on the acquisition of a child age 22 or older, the employee must submit to the employing office, at the time of making the election, a doctor's certificate stating that the child is incapable of self-support because of a physical or mental disability which existed before the child reached age 22 and which is expected to continue for more than 1 year. The certificate must include the name of the child, the type of disability, how long it has existed, and its expected future course and duration. The certificate must be signed by the doctor and show his/her office address.

Subpart I—Assignments of Life Insurance

§ 870.901 Assignments permitted.

(a) (1) Section 208 of the Bankruptcy Amendments and Federal Judgeship Act of 1984, Pub. L. 98–353 (98 Stat. 355),

effective July 10, 1984, permits Federal judges to irrevocably assign their FEGLI coverage to one or more individuals, corporations, or trustees. Section 4 of Pub. L. 103–336 (108 Stat. 2661), effective October 3, 1994, extended this right to all Federal employees, annuitants, and compensationers.

(2) An individual may assign ownership of all life insurance under this part, except Option C. If an individual wishing to make an assignment owns more than one type of coverage, he/she must assign all the insurance; an individual cannot assign only a portion of the coverage. Option C cannot be assigned.

(b) An individual cannot name conditional assignees in case the primary assignee dies before the insured individual.

(c) If the insurance is assigned to two or more individuals, corporations, or trustees, the insured individual must specify percentage shares, rather than dollar amounts or types of insurance, to go to each assignee.

(d) If an individual who has made an assignment later elects increased insurance coverage under § 870.506 or during an open enrollment period, the increased coverage is considered included in the already existing assignment. The right to increase coverage remains with the insured individual, rather than transferring to the assignee.

(e) An individual who assigns ownership of insurance continues to be the 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,