

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Parts 870, 871, 872, 873, and 874

RIN 3206-AF32

Federal Employees' Group Life Insurance Program: Merger of Life Insurance Regulations

AGENCY: Office of Personnel
Management.

ACTION: Proposed rule.

SUMMARY: The Office of Personnel Management (OPM) is issuing proposed regulations to combine the five parts of title 5 of the Code of Federal Regulations relating to the Federal Employees' Group Life Insurance (FEGLI) Program. This will ease administration and aid in understanding the Program. We are also simplifying the language and incorporating policy information from FPM Supplement 870-1, which is being abolished as of December 31, 1994.

DATES: We must receive comments on or before July 3, 1995.

ADDRESSES: Send your comments to Lucretia F. Myers, Assistant Director for Insurance Programs, Retirement and Insurance Group, Office of Personnel Management, P.O. Box 57, Washington, DC 20044; deliver them to OPM, Room 3451, 1900 E Street NW., Washington, DC; or FAX them to 202-606-0633.

FOR FURTHER INFORMATION CONTACT: Karen Leibach, 202-606-0004.

SUPPLEMENTARY INFORMATION: The FEGLI Act of 1980 made sweeping changes in the Program, including establishing two new forms of optional coverage. At that time, we decided to pattern the regulations after the law by setting up separate parts of the Code for each of the types of insurance (basic, standard optional, additional optional, and family optional coverages). Although we recognized that this method of translating the law into regulations would result in a lot of duplication, we believed that the format helped OPM and agencies put the new provisions in

place. We believe that the regulations can now be merged to eliminate the duplication, without losing clearness or content.

The proposed merger involves deleting parts 871, 872, 873, and 874 and combining the information now contained in those parts into an expanded part 870. This results in a complete presentation of material in one place.

In addition to merging the regulations, we have reorganized the material; incorporated some material formerly found in FPM Supplement 870-1, which is being abolished as of December 31, 1994; and simplified the language to make the regulations easier to understand.

Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities, because the regulations will affect only Federal employees and annuitants.

List of Subjects in 5 CFR Parts 870, 871, 872, 873, and 874

Administrative practice and procedure, Government employees, Hostages, Iraq, Kuwait, Lebanon, Reporting and recordkeeping requirements, Life insurance, Retirement.

Office of Personnel Management.

James B. King,
Director.

Accordingly, OPM proposes to amend title 5, Code of Federal Regulations, as follows:

Part 870 is revised to read as follows:

PART 870—FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

Subpart A—Administration and General Provisions

Sec.

- 870.101 Definitions.
- 870.102 The policy.
- 870.103 Correction of errors.
- 870.104 Initial decision and reconsideration.

Subpart B—Types and Amount of Insurance

- 870.201 Types of insurance.
- 870.202 Basic insurance amount (BIA).
- 870.203 Annual rates of pay.
- 870.204 Amount of optional insurance.
- 870.205 Accidental death and dismemberment.

Subpart C—Eligibility

- 870.301 Eligibility for life insurance.
- 870.302 Exclusions.

Subpart D—Cost of Insurance

- 870.401 Withholdings and contributions for basic insurance.
- 870.402 Withholdings for optional insurance.
- 870.403 Withholdings and contributions provisions that apply to both basic and optional insurance.
- 870.404 Direct premium payments under 5 U.S.C. chapter 84 (Federal Employees' Retirement System—FERS).

Subpart E—Coverage

- 870.501 Basic insurance: effective dates of automatic coverage.
- 870.502 Basic insurance: waiver/cancellation of insurance.
- 870.503 Basic insurance: cancelling a waiver.
- 870.504 Optional insurance: election.
- 870.505 Optional insurance: waiver/cancellation of insurance.
- 870.506 Optional insurance: cancelling a waiver.
- 870.507 Open enrollment periods.
- 870.508 Nonpay status.
- 870.509 Transfers to international organizations.

Subpart F—Termination and Conversion

- 870.601 Termination of basic insurance.
- 870.602 Termination of optional insurance.
- 870.603 Conversion of basic and optional insurance.

Subpart G—Annuitants and Compensationers

- 870.701 Eligibility for life insurance.
- 870.702 Election of basic insurance.
- 870.703 Amount of life insurance.
- 870.704 Reinstatement of life insurance.
- 870.705 Waiver or suspension of annuity or compensation.
- 870.706 Reemployed annuitants.
- 870.707 MRA-plus-10 annuitants.

Subpart H—Order of Precedence and Designation of Beneficiary

- 870.801 Order of precedence and payment of benefits.
- 870.802 Designation of beneficiary.
- 870.803 Child incapable of self-support.

Subpart I—Assignments of Life Insurance

- 870.901 Assignments permitted.
- 870.902 Making an assignment.
- 870.903 Effective date of assignment.
- 870.904 Amount of insurance.
- 870.905 Withholdings.
- 870.906 Cancellation of insurance.
- 870.907 Termination and conversion.
- 870.908 Annuitants and compensationers.
- 870.909 Designations and changes of beneficiary.
- 870.910 Notification of current addresses.