

(4) Premiums for converted life insurance are based on the insured judge's age and class of risk at the time the conversion policy is issued.

(5) The employing office must notify each assignee of the conversion right at the time the assigned group insurance terminates.

**§ 870.908 Annuitants and compensationers.**

(a) If a judge assigns basic insurance and later becomes eligible to continue such insurance coverage while receiving annuity or compensation as provided in § 870.701:

(1) At the time he/she retires or becomes eligible to receive compensation, the judge may elect unreduced or partially reduced insurance coverage as provided in § 870.702(a).

(2) After the judge has made the election described in paragraph (a)(1) of this section, the assignee (or, if more than one, all of the assignees acting together) may, at any time, elect to cancel all or part of the basic insurance coverage as provided in § 870.702(b).

(b) Judges retiring under 28 U.S.C. 371(a) and (b), 28 U.S.C. 372(a), and 26 U.S.C. 7747 are considered employees under the FEGLI law. Insurance for these judges continues without interruption or reduction upon retirement. The amount of basic insurance for a judge who elects to receive compensation in lieu of annuity will be computed according to § 870.703(e)(2).

**§ 870.909 Designations and changes of beneficiary.**

(a) Each assignee (or the legally appointed guardian of an assignee) may designate a beneficiary or beneficiaries to receive insurance benefits upon the death of the insured judge and may also later change the beneficiaries. Assignees may designate themselves the primary beneficiaries and name other conditional beneficiaries to receive insurance benefits if the assignees die before the insured judge.

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

(1) The assignee did not designate a beneficiary; or

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

(c) An assignment automatically cancels a judge's prior designation of beneficiary.

(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.

**§ 870.1002 Definitions.**

In this subpart:

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

*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.

**§ 870.1003 Coverage and amount of insurance.**

(a) An individual is covered under this subpart when the U.S. Department of State determines that the individual is eligible under section 599C of Pub. L. 101-513.

(b) (1) The amount of basic life insurance for these individuals is the amount specified in § 870.202, subject to the applicable conditions stated in this subpart.

(2) The BIA under § 870.202 is the amount of the payment specified in section 599C(b)(2) of Pub. L. 101-513, rounded to the next higher \$1,000, plus \$2,000.

(c) Individuals who have basic insurance under this section also have group accidental death and dismemberment insurance.

(d) Individuals insured by this subpart are not eligible for optional insurance.

(e) Individuals insured by this subpart are not considered employees for the purpose of this part.

(f) Eligibility for insurance under this subpart depends on the availability of funds under section 599C(e) of Pub. L. 101-513.

**§ 870.1004 Effective date of insurance.**

Insurance under this subpart was effective on August 2, 1990, for hostages in Iraq and Kuwait and on January 1, 1990, for hostages captured in Lebanon, unless the U.S. Department of State sets a later date.

**§ 870.1005 Premiums.**

(a) Government contributions and employee withholdings required under subpart D of this part are paid from the funds provided under section 599C(e) of Pub. L. 101-513.

(b) If an individual isn't insured for the full pay period, premiums are paid only for the days he/she is actually insured. The daily premium is the monthly premium multiplied by 12 and divided by 365.

(c) OPM may accept the payments required by this section in advance from a State Department appropriation, if necessary to fund the 12-month period of coverage beginning the earlier of:

(1) The day after sanctions or hostilities end; or

(2) The day after the individual's hostage status ends.

(d) OPM will place any funds received under paragraph (c) of this section in an account set up for that purpose. OPM will make the deposit required under 5 U.S.C. 8714 from the account when the appropriate pay period occurs.

**§ 870.1006 Cancellation of insurance.**

(a) An individual who is insured under this subpart may cancel his/her insurance at any time by written request. The cancellation is effective on the 1st day of the pay period after the pay period in which the U.S. Department of State receives the request.

(b) Cancellation must be requested by the insured individual and cannot be requested by a representative acting on the individual's behalf.

(c) An individual who cancels the insurance under this section cannot obtain the insurance again, unless the U.S. Department of State determines that it would be against equity and good conscience not to allow the individual to be insured.

**§ 870.1007 Termination and conversion.**

(a) Insurance under this subpart terminates 12 months after hostage status ends, unless the individual cancels the insurance earlier.

(b) Insured individuals whose coverage terminates are eligible for the 31-day extension of coverage and conversion as set forth in subpart F of this part, unless the individual cancelled the coverage.

**§ 870.1008 Order of precedence and designation of beneficiary.**

Insurance benefits are paid under the order of precedence set forth in 5 U.S.C. 8705 and under the provisions of subpart H of this part.