

§ 870.505 Optional insurance: Waiver/cancellation of insurance.

(a) An insured individual may cancel entirely any type of Optional insurance, or reduce the number of multiples of his/her Option B insurance, at any time by filing a waiver of Optional insurance coverage. An employee files with the employing office. An annuitant files with OPM or other office that administers his/her retirement system. If still employed, a compensation filer files with the employing office, and if not still employed, with OPM. Exception: an individual who has assigned his/her insurance under subpart I of this part cannot cancel Option A or Option B coverage.

(b) A cancellation of Optional insurance becomes effective, and Optional insurance stops, at the end of the pay period in which the waiver is properly filed. Exception: if Option C is cancelled because there are no eligible family members, the effective date is retroactive to the end of the pay period in which there stopped being any eligible family members.

(c) A waiver of Optional insurance remains in effect until it is cancelled as provided in § 870.506.

§ 870.506 Optional insurance: Cancelling a waiver.

(a) *When there is a change in family circumstances.* (1) An employee cannot cancel a waiver of Option A due to a change in family circumstances.

(2) An employee who has waived Option B coverage can elect it, and an employee who has fewer than 5 multiples of Option B can increase the number of multiples, upon his/her marriage or divorce, upon a spouse's death, or upon acquiring an eligible child. Exception: Acquiring a foster child does not qualify an employee to elect or increase Option B coverage.

(3) The number of multiples of Option B coverage that an employee can obtain or add (which cannot exceed a total of 5) is limited to the following:

(i) For marriage, the number of additional family members (spouse and eligible children) acquired with the marriage;

(ii) For acquisition of children, the number of eligible children acquired; and

(iii) For divorce or death of a spouse, the total number of eligible children of the employee.

(4)(i) An employee who has waived Option C coverage can elect it, and an employee who has fewer than 5 multiples of Option C can increase the number of multiples, upon his/her marriage or upon acquiring an eligible child. An employee can also elect Option C coverage upon divorce or death of a spouse, if the employee has any eligible children.

(ii) An employee electing or increasing Option C coverage may elect any number of multiples, as long as the total number of multiples does not exceed 5.

(5)(i) Except as stated in paragraph (a)(5)(iii) of this section, the employee must file an election under paragraph (a)(2) or (a)(4) of this section with the employing office, in a manner designated by OPM, along with proof of the event, no later than 60 days following the date of the event that permits the election; the employee may instead file the election before the event and provide proof no later than 60 days following the event.

(ii) This 60-day time limit may be extended if the individual is not serving in a covered position on the date of the event or if the individual separates from covered service prior to the end of the 60-day time limit. This extension cannot exceed the 31-day time limit for electing insurance following employment in a covered position or, for an election under paragraph (a)(4) of this section, the 31-day period following the 1st day on which the individual becomes eligible to cancel a waiver of Basic insurance.

(iii) An employee making an election under paragraph (a)(4)(i) of this section because of acquiring an eligible foster child must file the election with the employing office no later than 60 days after completing the required certification.

(iv) Employees who had a change in family circumstances between October 30, 1998, and April 23, 1999, had until June 23, 1999, to make an election under this section.

(6)(i) The effective date of Option B insurance elected under paragraph (a)(1) of this section is the 1st day the