(b) The assignment terminates 31 days after the insurance terminates, unless the covered individual is reemployed in or returns to a position in which he or she is entitled to coverage under this chapter before the expiration of the 31day period following termination of insurance.

§ 874.502 Eligibility to convert.

(a) When an insured individual's insurance terminates under the conditions set forth in subpart E of parts 870, 871, and 872 of this chapter, an assignee has the right to convert all or a portion of his or her group life insurance to an individual policy on the insured individual. The conditions specified in subpart E of those parts apply to assignees who elect to convert.

(b) When insurance is assigned to more than one assignee, each assignee has the right to convert all or part of his or her share of the insurance. Except as provided in § 874.701 of this part, any assignee who does not convert loses all

interest in the insurance.

(c) When multiple assignees convert the assigned insurance to individual policies on the insured individual in accordance with this subpart, the maximum amount of insurance each assignee can convert is determined by the assignee's share of total insurance under this chapter. If such amount is not a multiple of \$1,000, it is rounded up to the next thousand dollars.

§ 874.503 Rates for converted insurance.

Rates for converted life insurance are based on the insured individual's age and class of risk at the time the conversion policy is issued.

§ 874.504 Notification of conversion rights.

The employing office must notify each assignee of his or her conversion right at the time the assigned group insurance terminates.

Subpart F—Designations of Beneficiary

§ 874.601 Designations and changes of beneficiary.

(a) An assignment automatically cancels an insured individual's prior

designation of beneficiary.

- (b) Each assignee may designate a beneficiary or beneficiaries to receive insurance proceeds upon the death of the insured individual. An assignee may designate himself or herself as the primary beneficiary and name some other person(s) as contingent beneficiary(ies) to receive insurance benefits in the event that the assignee predeceases the insured individual.
- (c) Assigned insurance is paid to an assignee's estate if the assignee

- predeceases the insured individual
- (1) The assignee did not reassign the insurance,
- (2) The assignee did not designate a beneficiary, or
- (3) The assignee's designated beneficiary predeceased the insured individual.
- (d) The provisions of § 870.902 of this chapter apply to designations of beneficiary filed by assignees.

Subpart G—Annuitants and Compensationers

§874.701 Annuitants and compensationers.

- (a) If an insured individual assigns basic insurance coverage under this chapter and later becomes eligible to continue such coverage while receiving annuity or workers' compensation as provided under § 870.601(a) or § 870.701(a) of this chapter, the insured individual may, at the time he or she becomes eligible to continue such insurance as an annuitant or compensationer, elect increased lifetime basic insurance coverage as provided in § 870.601(c) (3) and (4) or § 870.701(c) (3) and (4) of this chapter.
- (b) After the insured individual has made an election as described in paragraph (a) of this section, the assignee (or, in cases of multiple assignees, all of the assignees acting together) may, at any time, elect to cancel the annuitant's or compensationer's election of increased lifetime basic insurance as provided in § 870.601(c) or § 870.701(c) of this
- (c) When multiple assignees have been named and, at the time the insured individual becomes eligible for continued coverage as an annuitant under §§ 870.601, 871.501, and/or 872.501 of this chapter, some assignees choose to convert their portions and others choose to have their portions of insurance continued during the insured individual's retirement, the amount of each type of continued insurance is the total percentage of the shares of the assignees who choose to continue the coverage.
- (d) When multiple assignees have been named and, at the time the insured individual becomes eligible for continued coverage as a compensationer under §§ 870.701, 871.501, and/or 872.501 of this chapter, some assignees choose to convert their portions of the insurance and others choose to have their portions continued while the insured individual is receiving compensation, the amount of each type of continued insurance is determined by

the total percentage of the shares of the assignees who choose to continue the coverage.

§874.702 Reemployed annuitants.

- (a) The right of a reemployed annuitant to elect additional optional coverage as an employee rather than as an annuitant under § 872.604 remains with the insured individual and does not transfer to the assignee.
- (b) When an annuitant who has assigned his or her insurance is reemployed in a position in which he or she is entitled to life insurance coverage, the coverage he or she acquires as a reemployed annuitant is subject to the existing assignment.

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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1443

RIN 0560-AE39

Cottonseed Purchase Program

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: This final rule removes obsolete regulations pertaining to the cottonseed purchase program. The cottonseed purchase program has not been in effect since 1969. This action is being taken as part of the National Performance Review program to eliminate unnecessary regulations and improve those that remain in force.

EFFECTIVE DATE: October 4, 1995. FOR FURTHER INFORMATION CONTACT: Bradley Karmen, Consolidated Farm Service Agency, United States Department of Agriculture, room 3746-S, P.O. Box 2415, Washington, DC 20013-2415 or call 202-720-7923.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been determined to be not significant for the purposes of Executive Order 12866 and therefore has not been reviewed by the Office of Management and Budget (OMB).

Regulatory Flexibility Act

It has been determined that the Regulatory Flexibility Act is not applicable to this final rule since the CCC is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of final rulemaking with respect to the subject matter of these determinations.