**Section 661.408 Flood Plain Insurance**

a) If the project includes insurable structures which will be located within a designated flood plan area (Zone A on the Federal Emergency Management Agency (FEMA) Flood Hazardous Maps) the grantee must furnish written evidence that it is participating in the National Flood Insurance Program or the construction areas have been given official exclusion from the flood insurance requirements by FEMA.

b) The grantee (or construction contractor, as appropriate) shall acquire any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended, and maintain such insurance for the entire useful life of the insurable structures.

c) The amount of insurance required is the total project cost, excluding facilities which are uninsurable under the National Flood Insurance Program (such as bridges, dams, water and sewer lines, and underground structures), or the maximum limit of coverage made available to the grantee under the National Flood Insurance Act of 1968 (42 USCS Section 4001 et seq., as amended) whichever is less.

d) The required insurance premium for the period of construction is an allowable project cost.