

§ 1303.52 Insurance, bonding, and maintenance.

(a) *Purpose.* If a grant recipient uses federal funds to purchase or continue purchase on a facility, excluding modular units, the grant recipient must obtain a title insurance policy for the purchase price that names the responsible HHS official as an additional loss payee.

(b) *Insurance coverage.* (1) If a grant recipient uses federal funds to purchase or continue purchase on a facility or modular unit the grant recipient must maintain physical damage or destruction insurance at the full replacement value of the facility, for as long as the grant recipient owns or occupies the facility.

(2) If a facility is located in an area the National Flood Insurance Program defines as high risk, the grant recipient must maintain flood insurance for as long as the grant recipient owns or occupies the facility.

(3) A grant recipient must submit to the responsible HHS official, within 10 days after coverage begins, proof of insurance coverage required under paragraphs (a) and (b) of this section.

(c) *Maintenance.* A grant recipient must keep all facilities purchased or constructed in whole or in part with Head Start funds in good repair in accordance with all applicable federal, state, and local laws, rules and regulations, including Head Start requirements, zoning requirements, building codes, health and safety regulations and child care licensing standards.