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## 2 C.F.R. § 200.447

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### Insurance and indemnification.

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- (a) Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.
- (b) Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:
  - (1) Types and extent and cost of coverage are in accordance with the non-Federal entity's policy and sound business practice.
  - (2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the Federal awarding agency has specifically required or approved such costs.
  - (3) Costs allowed for business interruption or other similar insurance must exclude coverage of management fees.
  - (4) Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibilities are allowable only to the extent that the insurance represents additional compensation (see § 200.431). The cost of such insurance when the non-Federal entity is identified as the beneficiary is unallowable.

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