

## Note 15. Insurance and Guarantee Program Liabilities

### Insurance and Guarantee Program Liabilities as of September 30, 2018, and 2017

(In billions of dollars)	2018	2017
<b>Insurance and Guarantee Program Liabilities:</b>		
Pension Benefit Guaranty Corporation - Benefit Pension Plans .....	158.0	178.6
Department of Agriculture - Federal Crop Insurance .....	10.3	11.3
Department of Homeland Security - National Flood Insurance Programs .....	1.7	12.3
National Credit Union Administration - Share Insurance Fund .....	0.2	0.3
Total insurance and guarantee program liabilities .....	<u>170.2</u>	<u>202.5</u>

Insurance and guarantee program liabilities are recognized for known losses and contingent losses to the extent that the underlying contingency is deemed probable and a loss amount is reasonably measurable. Please see Note 18—Contingencies for discussion on the meaning of “probable” depending on the accounting framework used by each significant consolidation entity.

As of September 30, 2018, and 2017, \$158.0 billion and \$178.6 billion, respectively, pertain to the PBGC single-employer and multiemployer pension plans. PBGC insures pension benefits for participants in covered defined benefit pension plans. The total decrease of \$20.6 billion in PBGC’s liability for insured pension plans includes decreases of \$9.5 billion and \$11.1 billion for single-employer and multiemployer plans, respectively. For both single-employer and multiemployer plans, the decreases were primarily driven by changes in actuarial assumptions related to changes in interest factors. As of September 30, 2018, and 2017, PBGC had total liabilities of \$163.7 billion and \$184.4 billion, and its total liabilities exceeded its total assets by \$51.4 billion and \$76.0 billion, respectively. Refer to PBGC’s financial statements for more information.

As of September 30, 2018, and 2017, \$10.3 billion and \$11.3 billion, respectively, pertain to the USDA’s Federal Crop Insurance Program. The Federal Crop Insurance Program is administered by the Federal Crop Insurance Corporation, whose mission is to provide an actuarially sound risk management program to reduce agricultural producers’ economic losses due to natural disasters.

As of September 30, 2018, and 2017, \$1.7 billion and \$12.3 billion, respectively, pertain to the DHS National Flood Insurance Program (NFIP). The NFIP insurance liability represents an estimate based on the loss and loss adjustment expense factors inherent to the NFIP Insurance Underwriting Operations, including trends in claim severity and frequency. The estimate is driven primarily by flooding activity in the U.S. and can vary significantly year over year depending on the timing and severity of flooding activity. A reduced estimated insurance liability for disaster relief efforts for the significant hurricanes in fiscal year 2018 is the primary driver of the \$10.6 billion decrease from fiscal year 2017.

As of September 30, 2018, and 2017, \$0.2 billion and \$0.3 billion, respectively, pertain to NCUA’s National Credit Union Share Insurance Fund (NCUSIF). The NCUSIF is administered by the NCUA, and protects members’ accounts in insured credit unions in the event of a credit union failure.

Certain significant consolidation entities apply FASB standards, and such entities, as permitted by SFFAS No. 47, are consolidated into the U.S. government’s consolidated financial statements without conversion to FASAB standards.