Note 16. Insurance and Guarantee Program Liabilities

Insurance and Guarantee Program Liabilities as of September 30, 2020, and 2019

(In billions of dollars)	2020	2019
Insurance and Guarantee Program Liabilities:		
Defined Benefit Pension Plans - Pension Benefit Guaranty Corporation	187.3	181.1
Federal Crop Insurance - Department of Agriculture	7.7	8.9
National Flood Insurance Programs - Department of Homeland Security	2.8	3.4
Ginnie Mae's Mortgage-Backed Securities - Department of Housing and Urban Development	1.3	1.0
Other insurance and guarantee programs	0.2	0.1
Total insurance and guarantee program liabilities	199.3	194.5

The federal government incurs liabilities related to various insurance and guarantee programs as detailed in the table above. Note 20—Contingencies includes a discussion of contingencies and other risks related to significant insurance and guarantee programs. Insurance information, and related liability, concerning federal employee and veteran benefits is included in Note 13—Federal Employee and Veteran Benefits Payable. Social insurance and loan guarantees are not considered insurance programs under SFFAS No. 51, *Insurance Programs,* and are accounted for under SFFAS No. 17*, Accounting for Social Insurance*, and SFFAS No. 2*, Accounting for Direct Loans and Loan Guarantees*. Loan guarantees are disclosed in Note 4—Direct Loans and Loan Guarantees Receivable, Net and Loan Guarantees Liability, and social insurance information is included primarily in the sustainability financial statements and in Note 23—Social Insurance.

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 20—Contingencies for discussion on the meaning of "probable" depending on the accounting framework used by each significant consolidation entity. As discussed in Note 1.M—Insurance and Guarantee Program Liabilities, certain significant consolidation entities (i.e., PBGC, FDIC, and FCSIC) apply FASB standards, and such entities, as permitted by SFFAS No. 47, *Reporting Entity*, are consolidated into the U.S. government's consolidated financial statements without conversion to FASAB standards. PBGC administers the largest insurance and guarantee program liability, the Defined Benefit Pension Plans, and applies FASB standards.

As of September 30, 2020, and 2019, $187.3 billion and $181.1 billion, respectively, pertain to pension plans in PBGC's single-employer and multi-employer programs. As of September 30, 2020, PBGC's single-employer and multi-employer programs total is $120.4 billion and $66.9 billion, respectively. PBGC insures pension benefits for participants in covered defined benefit pension plans. The total increase of $6.2 billion in PBGC's liability for its two separate insurance programs is comprised of a) an increase of $7.3 billion in the single-employer plan liability; and b) a decrease of $1.1 billion in the multi-employer plan liability. As of September 30, 2020, and 2019, PBGC had total liabilities of $194.9 billion and $187.4 billion, and its total liabilities exceeded its total assets by $48.3 billion and $56.5 billion, respectively. Refer to PBGC's financial statements for additional information and to Note 20—Contingencies for additional information regarding insurance contingencies and exposure. On March 11, 2021, the President signed into law the *American Rescue Plan Act, 2021.* This legislation, among others, establishes a special financial assistance program for financially troubled multi-employer pension plans insured by PBGC. Management is currently assessing the effect of this legislation on PBGC's liabilities and contingency disclosures (including the estimated insolvency date for the multi-employer program), but the effect is not currently reasonably estimable. Please see Note 29—Subsequent Events for additional information.

As of September 30, 2020, and 2019, $7.7 billion and $8.9 billion, respectively, pertain to USDA's Federal Crop Insurance Program. The Federal Crop Insurance Program is administered by the FCIC, who provides insurance to reduce agricultural producers' economic losses due to natural disasters.

As of September 30, 2020, and 2019, $2.8 billion and $3.4 billion, respectively, pertain to the DHS 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.

As of September 30, 2020, and 2019, $1.3 billion and $1.0 billion, respectively, pertain to Ginnie Mae's MBS program within HUD. Ginnie Mae's MBS program is an exchange transaction insurance program other than life insurance under SFFAS No. 51. Ginnie Mae's MBS program guarantees the timely payment of principal and interest on securities backed by pools of mortgage loans insured by FHA, Public and Indian Housing, and Rural Housing Service, or guaranteed by the VA.