

**The following page replaces page 99 of the 2011 Financial Report of the
United States Government. The corrected amount is highlighted in yellow.
March 15, 2012**

Change in Veterans Compensation and Burial Benefits						
(In billions of dollars)	<u>Compensation</u>		<u>Burial</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Actuarial accrued liability						
beginning of fiscal year	1,470.5	1,313.9	4.3	3.6	1,474.8	1,317.5
Prior period adjustments (not restated)	-	(66.4)	-	(0.1)	-	(66.5)
Actuarial accrued liability, beginning of fiscal year, as adjusted	1,470.5	1,247.5	4.3	3.5	1,474.8	1,251.0
Current Year Expense:						
Actuarial (gain)/losses (from experience)	-	122.4	-	-	-	122.4
Actuarial (gain)/losses (from assumption changes).....	58.7	100.6	0.2	0.8	58.9	101.4
Total current year expense	58.7	223.0	0.2	0.8	58.9	223.8
Actuarial accrued liability end of fiscal year	<u>1,529.2</u>	<u>1,470.5</u>	<u>4.5</u>	<u>4.3</u>	<u>1,533.7</u>	<u>1,474.8</u>
Significant Economic Assumptions Used in Determining Veterans Compensation and Burial Benefits as of September 30, 2011, and 2010						
			<u>2011</u>		<u>2010</u>	
Rate of interest			4.53%		4.73%	
Rate of inflation.....			2.78%		2.86%	

Life Insurance Benefits

The largest veterans' life insurance programs consist of the following:

- National Service Life Insurance (NSLI) covers policyholders who served during World War II.
- Veterans' Special Life Insurance (VSLI) was established in 1951 to meet the insurance needs of veterans who served during the Korean Conflict and through the period ending January 1, 1957.
- Veterans' Reopened Insurance (VRI), which provided a 1-year reopening for insurance coverage in 1965 for those eligible to have obtained NSLI or VSLI and were disabled.