

## Note 16. Insurance and Guarantee Program Liabilities

<b>Insurance and Guarantee Program Liabilities as of September 30, 2025, and 2024</b>		
(In billions of dollars)	<b>2025</b>	<b>2024</b>
Single-Employer Program - Pension Benefit Guaranty Corporation	75.2	78.7
Federal Crop Insurance - Department of Agriculture	16.5	15.1
Other insurance and guarantee programs	7.5	12.2
Total insurance and guarantee program liabilities	<u>99.2</u>	<u>106.0</u>

The federal government incurs liabilities related to various insurance and guarantee programs as detailed in the table above. Note 21—Contingencies includes a discussion of contingencies and other risks related to significant insurance and guarantee programs. Insurance information and the related liability concerning federal employee and veteran benefits are included in Note 13—Federal Employee and Veteran Benefits Payable. Social insurance and loan guarantees are not considered insurance programs under SFFAS 51, *Insurance Programs*, and are accounted for under SFFAS 17, *Accounting for Social Insurance*, and SFFAS 2, *Accounting for Direct Loans and Loan Guarantees*. Loan guarantees are disclosed in Note 4—Loans Receivable, Net and Loan Guarantees, and social insurance information is included primarily in the sustainability financial statements and in Note 25—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. See Note 21—Contingencies for discussion on the meaning of “probable” depending on the accounting framework used by each significant consolidation entity.

PBGC insures the largest insurance and guarantee program liability in its covered single-employer and multiemployer defined benefit pension plans. As of September 30, 2025, and 2024, PBGC had total liabilities of \$92.3 billion and \$94.3 billion, respectively. As of September 30, 2025, PBGC’s total assets exceeded its total liabilities by \$64.9 billion, and in FY 2024 its total assets exceeded its total liabilities by \$56.3 billion.

On March 11, 2021, the *American Rescue Plan Act of 2021* (ARP) established the Special Financial Assistance (SFA) Program for distressed multiemployer pension plans that meet specific eligibility criteria. The SFA Program is administered by PBGC and paid in a single lump sum rather than in periodic payments. An application under the ARP must be filed by the eligible plans no later than December 31, 2025. Unlike PBGC’s insolvency insurance program for multiemployer plans, which is funded by insurance premiums and investment income, the SFA Program is funded by appropriations from the General Fund. The SFA Program is intended to enable eligible plans to pay benefits due through plan year 2051, and, as a result, these plans are no longer considered to be liabilities to PBGC. Since the inception of the program, PBGC has approved \$74.1 billion in SFA. PBGC estimates the total amount of SFA to be paid out under the program to be approximately \$79.1 billion.

As of September 30, 2025, and 2024, \$16.5 billion, and \$15.1 billion respectively, pertain to USDA’s Federal Crop Insurance Program (FCIP). The FCIP is administered by the Federal Crop Insurance Corporation (FCIC), which provides insurance to reduce agricultural producers’ economic losses due to natural disasters.

The other insurance program liabilities include PBGC’s multiemployer plan discussed above and DHS’s National Flood Insurance Program (NFIP). The NFIP insurance program 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 the timing and severity of flooding activity in the U.S. and can significantly vary year over year.

Refer to PBGC and USDA’s financial statements for additional information regarding insurance and guarantee program liabilities.