

New USSGL Accounts (Effective Fiscal Year 2019)

Account Title: Liability for Unpaid Insurance Claims

Account Number: 220000

Normal Balance: Credit

Definition: The amount of unpaid insurance claims recorded by administering Federal agencies for adverse events occurring before the end of the accounting period. Include in this account claims that have been reported but not paid, and claims incurred but not reported from Exchange Transaction Insurance Programs Other than Life Insurance and Non-Exchange Transaction Insurance. This account excludes the unpaid claims for Life Insurance Programs, which are recorded in USSGL account 221800, “Life Insurance Benefits Due and Payable to Beneficiaries”, social insurance, and loan guarantee program claims. This is not an actuarial liability account for estimated losses; Adverse events part of a larger series of events not yet completed by the end of a reporting period should be considered in estimating a liability for losses on remaining coverage within USSGL 266000, “Liability for Estimates Losses on Remaining Coverage of Exchange Transaction Insurance Programs Other Than Life Insurance.” This account does not close at yearend.

Justification: Statement of Federal Financial Accounting Standards 51, *Insurance Programs* adds reporting standards requiring federal agencies to report consistent information about the liabilities for losses incurred and claimed as well as expected losses during remaining coverage. Currently, there is no specific USSGL Account in which Exchange Transaction Insurance and Non-Exchange Transaction Insurance Programs (Other than Life Insurance) can report unpaid claims. Some liability USSGL accounts are classified to “Other Liabilities” in the Reclassified Balance Sheet, while one other USSGL account is intended only for actuarial liabilities and future estimates losses. This USSGL account will provide a standard means for federal agencies to record unpaid claims for Exchange Transaction Insurance and Non-Exchange Transaction Insurance Programs (Other than Life Insurance.)

Account Title: Liability for Unearned Insurance Premiums

Account Number: 220500

Normal Balance: Credit

Definition: The amount of insurance premiums from Exchange Transaction Insurance Programs Other than Life Insurance received and/or due but not yet earned. This account excludes premiums collected from Life Insurance Programs, social insurance, and loan guarantee programs. This account does not close at yearend.

Justification: Statement of Federal Financial Accounting Standards 51, *Insurance Programs* also adds reporting standards clarifying how and when federal agencies should recognize revenue and liabilities for the insurance protection provided by their insurance programs. SFFAS 51 requires premiums to be recognized as revenue when earned over the period of insurance protection for Exchange Transaction Insurance Other than Life Insurance. Non-Exchange Transaction Insurance programs do not collect premiums, while Life Insurance Premiums are recognized as revenue when due. Currently, there is no specific USSGL Account in which Exchange Transaction Insurance Programs Other than Life Insurance can report insurance premiums received but not earned. Some liability USSGL accounts are classified to the “Other Liabilities” line in the Reclassified Balance Sheet and reporting is not consistent governmentwide. This USSGL account will provide a standard means for federal agencies to record unearned premiums for Exchange Transaction Insurance Other than Life Insurance.

Attribute Table

No.	USSGL Account Title	Anticipated	Budg/ Prop	Norm Bal	Begin /End	Debit/ Credit	Auth Type Code	Apport Cat	Apport Cat B
220000	Liability for Unpaid Insurance Claims	N	P	C	B/E	D/C			
220500	Liability for Unearned Insurance Premiums	N	P	C	B/E	D/C			

Avail Time	BEA Cat	Borrow Source	Budgetary Impact Indicator	Cohort Yr	Cust/ Noncust	Exch/ Nonexch	Fed/ Non Fed	Trading Ptnr	Trading Ptnr Main	PY Adj	Program Indicator
							N				
							N				

Program Rpt Cat	Reimb Flag	Year of BA	Reduction Type	Fund Type	Reporting Type Code	Financing Account Code	TAS Status	Trans. Code
				CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/F/U	D/G/N	U/E	X/N
				CF/DF/EC/EG/EM/EP/ER/ES/ET/GA/TR/UG/US/UT	E/F/U	D/G/N	U/E	X/N

Impact on Crosswalks (FY 2019)

USSGL Account	Balance Sheet	Net Cost	Net Position	Custodial Activity	Reclassified Balance Sheet	Reclassified Net Cost	Reclassified Net Position	SF133	Schedule P	SBR
220000	Line 27	N/A	N/A	N/A	Line 6.8	N/A	N/A	N/A	N/A	N/A
220500	Line 27	N/A	N/A	N/A	Line 6.8	N/A	N/A	N/A	N/A	N/A

Validations: 22 and 23.

Impacts to the following Transaction Codes:

- B110** Adds 220000 as a Debit entry to record a confirmed disbursement schedule previously accrued.
- B402** Adds 220000 as a Credit entry to record the delivery of goods or services and to accrue a liability.
- B408** Adds 220000 as a Debit entry to reclassify payable schedules for disbursements to "in-transit" until the payment schedule is confirmed.
- B420** Adds 220000 as a Credit entry to record the liability for cost to be funded in the future.
- B602** Adds 220500 as a Credit entry to record revenue received in advance.
- C424** Adds 220500 as a Debit entry to record current-period earnings on income received in advance.
- D134** Adds 220000 as a Credit entry to record the delivery of goods or services ordered in a prior year and to accrue a liability.
- D308** Adds 220000 & 220500 as Debit entries to record a prior-period adjustment that reduces the value of a liability.
- D312** Adds 220000 & 220500 as Credit entries to record a prior-period adjustment that increases the value of a prior-year liability.

Revised USSGL Accounts (Effective Fiscal Year 2019)

Account Title: Actuarial Liabilities for Federal Insurance and Guarantee Programs

Account Number: 266000

Normal Balance: Credit

Current Definition: The amount recorded by administering Federal agencies for estimated losses on Federal insurance and guarantee program claims (except social insurance and loan guarantee programs). This account does not close at yearend.

Proposed Definition: The amount recorded by administering Federal agencies for estimated losses [on remaining coverage of Exchange Transaction Insurance Programs Other Than Life Insurance. \(Refer to FASAB SFFAS No. 51, "Insurance Programs," paragraphs 30-37.\)](#) This account excludes the estimated losses for Life Insurance Programs, which are recorded in USSGL account 263000, “Actuarial Life Insurance Liability”, social insurance, and loan guarantee program claims. This account does not close at yearend.

Justification: Statement of Federal Financial Accounting Standards 51, *Insurance Programs* adds reporting standards requiring federal agencies to report consistent information about the liabilities for losses incurred and claimed as well as expected losses during remaining coverage. This USSGL 266000 is classified to “Insurance and Guarantee Program Liabilities” in the Reclassified Balance Sheet, but the Description in the TFM USSGL Supplement needs clarified that this account is only intended for actuarial liabilities and estimates of future losses on remaining coverage.

Account Title: Contingent Liabilities

Account Number: 292000

Normal Balance: Credit

Current Definition: The amount that is recognized as a result of a past event where a future outflow or other sacrifice of resource is probable and measurable. Record a contingent liability related to environmental cleanup cost in USSGL account 299500, "Estimated Cleanup Cost Liability." This account does not close at yearend.

Proposed Definition: The amount that is recognized as a result of a past event where a future outflow or other sacrifice of resource is probable and measurable. Record environmental cleanup cost in USSGL account 299500, "Estimated Cleanup Cost Liability." [Record the estimated losses arising from adverse events expecting during a coverage period of Exchange Transaction Insurance Programs Other Than Life Insurance in USSGL 266000, “Actuarial Liabilities for Federal Insurance and Guarantee Programs.”](#) This account does not close at yearend.

Justification: Statement of Federal Financial Accounting Standards 51, *Insurance Programs* adds reporting standards requiring federal agencies to recognize a reasonable estimate of future losses for an open insurance coverage period, extending beyond the end of an accounting period. SFFAS 51 removes ambiguity of the recognition of contingent liabilities related to estimated Insurance losses. This revised description of Contingent Liabilities allows agencies to differentiate between expected adverse insurance events and other contingent liabilities.