

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

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Robin Gilliam
(202) 512-7356
gilliamr@fasab.gov

NEWS RELEASE

FASAB Issues Statement of Federal Financial Accounting Standards 51, *Insurance Programs*

The chairman of the Federal Accounting Standards Advisory Board (FASAB), D. Scott Showalter, announced today that FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 51, *Insurance Programs*.

“The Board is seeking to improve federal financial reporting and to better inform readers about the operating performance of insurance programs and the extent of the risk of loss to the federal government from adverse events,” according to Chairman Showalter.

To provide concise, meaningful, and transparent information regarding insurance program costs and liabilities, SFFAS 51 establishes three categories of insurance and related guidance: exchange transaction insurance programs other than life insurance, nonexchange transaction insurance programs, and life insurance programs. SFFAS 51 rescinds existing standards for insurance and guarantee programs in SFFAS 5, *Accounting for Liabilities of The Federal Government*, paragraphs 97-121.

SFFAS 51 is available at <http://www.fasab.gov/document-by-chapter/>.

ABOUT FASAB

FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness and (2) the economic,

political, and social consequences, whether positive or negative, of the allocation and various uses of federal resources.

FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: www.fasab.gov.