THE FEDERAL EMERGENCY MANAGEMENT AGENCY

REQUIRED STEWARDSHIP SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2001 (DOLLARS IN THOUSANDS)

Stewardship Investments

| HUMAN CAPITAL | 1997 | 1998 | | 1999 | | 2000 | 2001 | | |
|--------------------------------|--------------|--------------|----|--------|----|--------|----------|--|--|
| State and Local Responders | | | | | | | | | |
| National Fire Academy | \$ 15,631 | \$ 16,385 | \$ | 19,163 | \$ | 26,474 | \$23,803 | | |
| Emergency Management Institute | \$ 8,789 | \$ 7,855 | \$ | 7,079 | \$ | 8,022 | \$ 7,160 | | |

National Fire Academy

FEMA provides training and professional development to emergency management "first responders" at the state and local level. Conducted through the National Fire Academy (NFA) in Emmitsburg, Maryland, training promotes the professional development of the fire and the emergency response community and its allied professionals. To supplement and support state and local fire service training programs, the NFA develops and delivers educational and training courses having a national focus. In 2001, 48,270 state and local emergency responders received training.

NFA maximizes participation through three different delivery modes. The first is the traditional method where NFA provides the instruction directly to the students and is responsible for all the costs associated with the delivery. The second method of delivery is done in conjunction with state and local sponsors who share cost of delivery. The third method of delivery is the indirect method where the NFA develops course materials, and they are delivered by state and local fire and rescue training agencies or used independently.

Emergency Management Institute

Through its courses and programs, EMI serves as the national focal point for the development and delivery of emergency management training to enhance the capabilities of state, local, and Tribal government officials, volunteer organizations, and the public and private sectors to minimize the impact of disasters on the American public. EMI curricula are structured to meet the needs of this diverse audience with an emphasis on how the various elements work together in emergencies to save lives and protect property. In addition to classroom courses that train in excess of 7,000 students, EMI provides training programs through its Emergency Education NETwork (EENET). In 2001, 5,491 state and local emergency responders received training.

RESEARCH & DEVELOPMENT

| | 1 | 1997 | | 1998 | | 1999 | | 2000 | | 2001 | |
|---------------------|----|------|----|------|----|-------|----|-------|----|-------|--|
| | | | | | | | | | | | |
| Fire Administration | \$ | 800 | \$ | 900 | \$ | 1,400 | \$ | 1,800 | \$ | 2,200 | |

The United States Fire Administration (USFA) works with public and private groups to promote and improve fire prevention and life safety through research and special studies on fire detection, suppression, and notification and on fire emergency responder health and safety. For example, USFA and the National Institute of Standards and Technology (NIST) performed research into structural collapse prediction technology. Tests examining older style construction were conducted, and a number of computer-based models for predicting the impact of fire on buildings, occupants and firefighters were developed.

Publications were produced such as Hazardous Materials Response Technology Assessment designed to familiarize readers with various technologies that are available (and in development) that a fire and /or rescue department could use to control and mitigate a hazardous materials incident.

USFA and NIST continue to cooperate to develop measurement equipment and techniques for the evaluation of the thermal environments experienced by firefighters and to examine the thermal protective performance of the fire-fighters protective clothing.

THE FEDERAL EMERGENCY MANAGEMENT AGENCY REQUIRED STEWARDSHIP SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2001 (DOLLARS IN THOUSANDS)

Risk Assumed Information

At the time that a property and casualty insurance company or reinsurance company issues an insurance policy covering risk of loss from catastrophes, a contingency arises. The contingency is the risk of loss assumed by the insurance company, that is, the risk of loss from catastrophes that may occur during the term of the policy.

FEMA will pay some amounts based on the coverage in force at 9/30/01 determined by using the actuaries' calculations and reported on the Balance Sheet. The Insurance in Force number at 9/30/01 was \$588,744,352 thousand.