

# Value of the CPCU Designation

## By Anita Z. Bourke, CPCU

**AICPCU** *Succeeding*  
**IIA** *together.*  
EDUCATION • RESEARCH • ETHICS

American Institute for CPCU  
Insurance Institute of America

# Value of the CPCU Designation

## Bourke

The Chartered Property Casualty Underwriter (CPCU®) designation is the premier professional credential for the property-casualty insurance industry. Built on a foundation of broad technical knowledge, high ethical standards, and an industry experience requirement, the CPCU designation program prepares insurance practitioners to meet the changes and challenges of a demanding risk management and insurance marketplace with confidence and professionalism.

CPCU consists of five foundation courses and three courses in either the personal lines or the commercial lines concentration. The challenging program of study provides in-depth and practical technical insurance knowledge.

But why should an insurance practitioner consider earning the CPCU designation? What is the real, underlying value of this credential?

In late 2008, the American Institute for CPCU and Insurance Institute of America (the Institutes) surveyed designation holders to quantify the value they place on the credentials they have earned from the Institutes. The results confirmed our long-held belief that our designation holders value their Institute credentials, which they believe benefit both themselves and their company. The survey revealed these findings:

- CPCUs earn 29% more than their peer group (same functional area and time in industry).
- 91% say earning the designation provided them with increased job opportunities.
- 85% say earning the designation fast-tracked their career progression.
- 74% say earning the designation helped them gain a promotion.
- 75% say earning the designation helped them gain a salary increase.
- 72% received promotions within two years of earning the designation.
- 97% say earning the designation resulted in professional recognition.
- 78% earn more than \$60,000 annually.
- 86% say earning the designation increased their job security during organizational transitions or consolidations.
- 83% say earning the designation helped them prepare for their current job responsibilities.
- 92% say earning the designation helped them prepare for their long-term career goals.
- 99% say they gained technical property-casualty insurance knowledge as a result of earning the designation.

Additionally, more than 1,100 CPCU designees serve as president or chief executive officer of insurance organizations, according to a membership profile compiled by the CPCU Society.

“The CPCU designation is not just for underwriters,” said David S. Hershey, CPCU, ARM, risk manager for Sprague Energy/Lexa International. “It provides all insurance professionals an immediate means of determining the level of commitment, competency, and knowledge of those with whom you associate, compete, and negotiate.”

The CPCU designation benefits not only individuals, but also organizations. According to Richard J. Eichhorn, CPCU, ARM, president of International Placement Services, “CPCU is the leader in the industry for education, and that is why I encourage our employees to continue their

## Value of the CPCU Designation Bourke

education,” he said. “There have been many benefits to our organization as the result of having members of our staff with various Institute designations, as well as being actively involved with the local and national CPCU Society chapters.”

From its inception in 1942, the CPCU program has helped insurance professionals improve their effectiveness by learning to apply property-casualty insurance theory to everyday practice. As the social and business environments have shifted over the years, the American Institute for CPCU has modified the program to meet the evolving needs of individuals engaged in property-casualty insurance and their changing educational and professional landscape. The most recent changes to the CPCU program took effect in August 2009.

The first change reduced the CPCU experience requirement from three years to two years. There are a number of reasons for this change. When the three-year requirement was implemented in 1942, few insurance professionals had a college degree or technical insurance training. Today, more people than ever are entering the industry with a college degree, or they have received technical insurance training early in their career. In addition, with CPCU textbooks being used by more college and university risk management and insurance programs than ever before, the new experience requirement may encourage recent college graduates to continue their CPCU studies and earn the designation earlier in their careers.

The second change that will be implemented is that the exams for the following courses will change from short-essay to objective format beginning with those given in the January 15 to March 15, 2010, testing window:

- CPCU 520—Insurance Operations, Regulation, and Statutory Accounting
- CPCU 530—The Legal Environment of Insurance
- CPCU 540—Finance for Risk Management and Insurance Professionals

Numerous student benefits are associated with the objective exam format. Having more questions (85 to 100, rather than 30 to 35) will give students a greater opportunity to demonstrate knowledge of the material. The new exam format will result in improved and more efficient grading. Objective grading eliminates the waiting period for grades, helping students progress more efficiently through the CPCU program. The new format will also allow the Institutes to provide more consistent and timely exam performance feedback to help non-passers better prepare to retake an exam. Finally, the objective exam format will help the Institutes offer even higher-quality questions because it allows us to pre-test questions to ensure that the questions appearing on the exams are clear and accurate.

All courses in the CPCU program are designed for self-study, the study method that most students choose. However, for those who prefer the support of a classroom and an instructor, the Florida Association of Insurance Agents (FAIA) sponsors courses for the CPCU program. For more information, contact Teri Clow at (850) 893-4155, ext. 335 or e-mail [tclow@faia.com](mailto:tclow@faia.com).

“The foundation of understanding of our business has been the most valuable thing that I got from my CPCU,” said Lisa H. Harrington, CPCU, vice president of education at FAIA. “I am able to apply the appropriate reasoning to nearly any situation because I have a good base from which to draw. It’s also been useful because I learned so much about nearly every aspect of the industry; the 30,000 foot view in a manner of speaking.”

## Value of the CPCU Designation Bourke

Each year, the CPCU designation is formally conferred at a ceremony held in conjunction with the Annual Meeting and Seminars of the CPCU Society. For the past 20 years, Florida has ranked in the top 10 states with the most new CPCU designees,\* and since 1989 more than 1,600 insurance professionals in Florida have earned the CPCU designation. In fact, the 2010 CPCU conferment ceremony will be held in Orlando, Florida, on September 25, 2010, and we hope to see many of these designees return to welcome and congratulate the 2010 class.

We invite you to discover the value of the CPCU designation for yourself and join the growing ranks of Florida's insurance professionals who have earned it.

*Anita Z. Bourke, CPCU, is executive vice president at the American Institute for CPCU/Insurance Institute of America (the Institutes) in Malvern, Pennsylvania. The Institutes are not-for-profit organizations offering educational programs, professional certification, and research to people who practice or have an interest in risk management and/or property-casualty insurance. Ms. Bourke leads and contributes to the product development process while maintaining a visible presence within the insurance industry. She can be reached at [bourke@cpcuiia.org](mailto:bourke@cpcuiia.org).*

© 2009 American Institute for CPCU/Insurance Institute of America  
[www.aicpcu.org](http://www.aicpcu.org)

---

\* With the exception of 2006, when Florida ranked 15<sup>th</sup>