



Why Become a CPCU?

The subject I've been asked to address today is, "Why Become A CPCU?" But I'd like to take some liberty with the question and pose it differently. If you've already decided upon a career in the property casualty insurance industry — and I think most of you have — I think a more apt approach is to ask this threshold question: "Why would you *not want to be* a CPCU?" If you can't think of a single reason, you've taken the first big step. That means you understand the status of this premier designation.

Now, I'm not going to sugar coat anything. Becoming a CPCU is no easy task, and motivation is everything. So let's explore my question a bit more.

If you're a professional athlete, would you want to play in the minor leagues, or in the majors? If you aspire to be an ensemble musician, would you prefer to play in a mediocre band, or would you like to join a group that's *really* good — one that helps your abilities grow and your satisfaction increase?

At what level do you want to be?

This may be a rudimentary analysis for such a sophisticated topic, but it really goes to the heart of the question. If you really had your druthers, why

would you *not* want to be at the superior level? To borrow an analogy from a recent television commercial, if you had your choice, would you really want to be the turtle, Mr. Slowsky, remaining in the slow lane?

But as I said, once you've decide the threshold question in the *affirmative*, you're already on your way. You've decided you want to join the best of the best. There are only about 65,000 CPCUs in the world — a tiny fraction of the estimated one and a half million employees of the property and casualty insurance industry. Having chosen to work in this field you'd now like to join the ranks of its premier professionals.

But before we explore exactly how you do that, let's put a bit more flesh on the bones. Let's explore why the Chartered Property Casualty Underwriter designation is so prestigious.

First it's because, as I've suggested, it is not easy to achieve. You must pass eight college and graduate level examinations based on course materials created by The Institutes. These include five foundation courses, and three from either a commercial or personal insurance concentration, depending on your choice. It takes most designees more than four years to complete their coursework. This should be no surprise for a designation that's comparable to the CPA or a medical board certification. Some candidates study for

it exclusively on their own; others form study groups; and still others are mentored by existing CPCUs — a practice strongly promoted by the CPCU Society. But however you get to the finish line, once you successfully complete the courses — and satisfy the Institute’s experience and ethics requirements — you are awarded the CPCU at a conferment ceremony. Then — as Jackie Gleason used to say — “How sweet it is!”

Yet becoming a CPCU is more than simply mastering study material. You become adept with a broad range of subject matter that is of practical use in your everyday work. The courses focus on the legal, financial, and operational aspects of risk management and insurance, as well as on financial services. The curricula are constantly updated, always reflecting the business environment in the here-and-now. And naturally, they endow you with a broad understanding of property and casualty insurance. The inevitable result is a surge in your own self-confidence as a professional. As Albert Einstein said, “The value of the achievement lies in the achieving.” Wow! When was the last time you heard Albert Einstein and Jackie Gleason quoted in the same speech?

Still, the rewards of becoming a CPCU are not confined to intangibles. Achieving the designation is a good investment.

The CPCU Society was keen to document this, and it did. A panel of 174 members of the Society was surveyed in March of 2008. Two thirds of them reported their CPCU designation brought them higher incomes, with 63 percent seeing those increases within five years of their designation. About 1/2 of them estimated their incomes increased by up to 15 percent because they became CPCUs, and the average earnings gain they reported was 28 percent. Some attributed income increases of over 100 percent!

But there is payoff in more than just salary. A clear majority — 55 percent — believed the CPCU designation helped them move up within their companies; and seven out of 10 believed it helped their career advancement within the overall industry.

Another recent survey — this one by the Institutes — randomly sampled CPCU designees from the last five years. 91 percent of responders said earning the designation provided them with increased job opportunities. 74 percent said it helped them gain a promotion; 75 percent reported that it helped them achieve a salary increase; and 86 percent said being a CPCU increased their job security during organizational transitions and consolidations — no small matter in these times!

There are other important benefits of being a CPCU. When you first achieve the designation you are entitled to a complimentary period of membership in the CPCU Society. Thereafter, of course, you are eligible for continuing membership. The respondents in the Society ranked the five top benefits of membership. Here they are:

Networking: at the Society's Annual Meeting and at meetings of your local chapter, you gain a venue to become friends with the best in the industry. And don't forget, CPCUs work in a wide range of capacities — as claim adjusters, underwriters, brokers, agents, regulators, consultants, attorneys and educators, to name just a few. You really have an opportunity to make yourself visible across a broad swath of companies, agencies, and other entities. You gain entrée into the community of CPCUs.

Second, you gain access at discounted prices to continuing professional education programs run by the Society. As you know, no *preparatory* courses — not even those for the CPCU designation — will *keep* you ready for a world that's changing at lightning speed. The courses and seminars of the CPCU Society — which are scheduled throughout the year in a broad variety of venues — will maintain your educational advantage on a breathtaking range of property casualty insurance topics.

Third, you are invited to join the activities of Society chapters and interest groups. There are 147 chapters, not only throughout this country, but internationally, with Europe, the Pacific Rim and the Caribbean among the regions represented. And the interest groups offer you an unparalleled chance to experience cutting edge thinking on a broad array of subjects from top experts in their respective areas. All members have access to the resources of all interest groups, which presently number 14. This is especially important because the interest groups produce proprietary newsletters with outstanding articles from experts in each of their respective subject matter domains. And a list of these interest groups demonstrates graphically how broad a range that covers. Those interest groups are: agent and broker; claims; consulting, litigation and expert witness; excess- surplus-specialty lines; information technology; international insurance; loss control; personal lines; regulatory-legislative; reinsurance; risk management; senior resource; leadership- managerial excellence; and underwriting. As Ed McMahon might have said to Johnny Carson, “Everything in the world you wanted to know about property and casualty insurance is covered by these interest groups.” Well, not quite — but the Society is working on it, with the addition of several new interest groups under consideration.

A final note on the member feedbacks: reflecting what we have known anecdotally all along, there is something about becoming a CPCU that puts an extra spring in your step. CPCUs reported the designation brings them enhanced personal growth and satisfaction, greater prestige, improved job performance and effectiveness, and better preparedness for new jobs in the future. In the Institute survey, for example, 83 percent said the designation helped them prepare for their current job responsibilities; and 92 percent said it helped them prepare for their long-term goals.

The preparation for the CPCU exams gives you the framework to understand and absorb new technical information. And then your eligibility for CPCU Society membership — with its opportunities for constant educational updates — gives you the capacity to stay on top of your game. Once you have achieved this professional plateau, you will also be in a position to mentor others to become CPCUs — a rewarding activity in which you pass on the skills you have mastered, and sometimes in doing so, gain lifetime friendships.

We like to call this whole process the CPCU Experience. Taken in its entirety, it's a prescription for success.

So we'd be delighted to have you travel the road to your CPCU designation very soon. Let me close with this symbolic fact. In all Society publications, whenever we print the name of a CPCU — whether in a byline, or because that person's been in the news, or for any reason whatever — and that person has other insurance designations or even advanced academic degrees, including Ph.D., J.D., or MBA — we put the CPCU designation first after that individual's name. It is, bar none, the premier professional designation in the property and casualty insurance industry. Why indeed would you not want to be among its proud bearers?

Thanks very much.