

The CPCU Experience



The CPCU designation program will prepare you to meet the changes and challenges of a demanding risk management and insurance marketplace with confidence and professionalism.



The Institutes

Proven Knowledge. Powerful Results.®



Begin with the end in mind.

—Steven Covey

► Congratulations!

You have taken the first step on your way to earning the Chartered Property Casualty Underwriter (CPCU®) designation, the premier professional designation in the property-casualty insurance industry!

As you embark on your CPCU journey, be assured that The Institutes and the CPCU Society will travel with you and provide the information, help, and encouragement you need to be successful in reaching your goal—the CPCU designation.

Built on a foundation of broad technical knowledge, high ethical standards, and demonstrated industry experience, the CPCU designation program will prepare you to meet the changes and challenges of a demanding risk management and insurance marketplace with confidence and professionalism.

Those who earn the CPCU designation set themselves apart by demonstrating their ongoing commitment to attaining meaningful professional goals and achieving career growth by increasing their knowledge and skills.

CPCUs in all areas of practice are recognized by their colleagues and customers as members of a distinguished community of professionals who have made a commitment to the risk management and insurance industry and who value professional development as a key driver of career success.

Your CPCU Experience has just begun! I hope this booklet serves as a helpful resource to you throughout your course of study. In addition, be mindful of the personal assistance available from The Institutes and of the support, educational, and networking opportunities offered by the local chapters of the CPCU Society.

I commend you on your decision to pursue the CPCU designation and extend best wishes for your success!

Sincerely,



Peter L. Miller, CPCU
President and CEO
The Institutes

97%

► 97% of CPCU program completers say earning the designation gained them professional recognition.



*If you want to be successful, it's just this simple:
know what you are doing, love what you are doing,
and believe in what you are doing.*

—Will Rogers

▶ Student Resources

The Institutes

Customer Service: 800-644-2101
customerservice@TheInstitutes.org
Web site: www.TheInstitutes.org

- **Designations**—information on CPCU, ethics, and other designation courses
- **Study Materials**—browse program materials and study aids; find a class; learn about online options
- **Exams**—dates, times, fees, locations, and registration services
- **Continuing Education (CE)**—quickly link to Ethics 312 with CE or learn about all available CE courses

Student Services

(available on the Web site or by phone)

- Profile and Account information
- My Progress Tracker
- Grades
- Order and Registration services
- Online Learning
- Educational Advising
- Non-passer services
- Public and Online classes
- CE credit information
- ACE credit recommendations
- CPCU Conferment dates and locations

International Students

Specific information for international students is available under the students area of our Web site or by contacting Customer Service.

CPCU Society

Customer Service: 800-932-CPCU
membercenter@cpcusociety.org
Web site: www.cpcusociety.org

- **Chapters**—the CPCU Society has over 150 local chapters offering educational programs (including CPCU classes in many locations), networking, and service opportunities.
- **Professional Development**—the CPCU Society offers a comprehensive program of locally held workshops on cutting edge topics, including technical insurance, leadership, career development, and ethics. CE credits are available for licensed producers and adjusters.
- **Candidate Membership**—candidate membership is available for CPCU students who have completed four or more parts of the CPCU program. These candidates can join the Society at reduced dues and enjoy full CPCU Society member benefits.
- **Interest Groups**—Society and candidate members have access to all of the Society's special interest groups to further their career development (examples include underwriting, claims, agent/broker, reinsurance, and many more).

91%

- ▶ 91% of CPCU program completers say earning the designation provided them with increased job opportunities.



***Coming together is the beginning.
Keeping together is progress.
Working together is success.***

—Henry Ford

► CPCU Experience

The Institutes

Your CPCU Experience begins with your decision to pursue the CPCU designation. Throughout your experience, you will come in contact with many people who can help you along the way and can help ensure your success.

As you start your journey, you will work with the staff of The Institutes. The Institutes administer and maintain the CPCU program. When you successfully complete the education, ethics, and experience requirements of the program, The Institutes confers the CPCU designation and formally recognizes your achievement at the annual conferment ceremony (held in conjunction with the CPCU Society's Annual Meetings and Seminars).

Since its founding in 1942, the CPCU program's goal is "to establish standards of professionalism for the property casualty industry that reflect the intrinsic values of education, experience, and ethics."

Today, completing the CPCU program provides you with the ability to:

- Improve your effectiveness by relating risk management and insurance principals to everyday practice
- Handle complex commercial property and personal loss exposures with advanced technical knowledge
- Increase effectiveness and positively affect overall operations with an increased understanding of how different functional areas interact with and relate to each other

The CPCU designation program is your passport to an exciting, successful future in the risk management and insurance industry. Designed to provide you with a broad overview of the industry, earning the CPCU designation gives you the technical knowledge and skills you need to succeed in your current career path, while also preparing you to achieve your future goals. Completing the program demonstrates to your peers, colleagues, and management that you are an individual with high potential.

The CPCU Society

Shortly after beginning the program, you will be introduced to the CPCU Society, the professional association for those who hold the CPCU designation. Local CPCU chapters and company CPCU champions provide new students with a built-in network of guidance, collaboration, and inspiration to support them throughout the early stages of their CPCU Experience. After completing four parts of the program, you can join the CPCU Society as a candidate member to further enhance your educational and professional experience.

The CPCU Society is the professional association for those who hold the CPCU designation. Founded in 1944, the CPCU Society now has 24,000 members in the United States and a number of European and Asian countries.

The Society's mission is to "meet the career development needs of a diverse membership of professionals who have earned the CPCU designation, so that they may serve others in a competent and ethical manner." The CPCU Society and its chapters are committed to the lifelong success of CPCU Society members.

Much of your experience with the CPCU Society will be through one of the local chapters. Chapters make available a variety of programs and activities to members and students alike. These vary by chapter but can include chapter meetings, educational programs, Society-sponsored CPCU classes, good works projects, and social events. When you complete the requirements of the CPCU program, you will automatically receive complimentary membership in the CPCU Society as a new designee for the remainder of the year in which you earn your designation. Most new CPCUs choose to continue a lifelong affiliation with the CPCU Society in order to take full advantage of the career-enhancing leadership opportunities that only the CPCU Experience can offer.

86%

- 86% of CPCU program completers say earning the designation increased their job security during organizational transitions or consolidations.



***There is no knowledge that is
not power.***

–Ralph Waldo Emerson

► Frequently Asked Questions

How can I confirm the editions of the books I have?

You can confirm that you have the correct study materials for the exam you plan to take in a specific testing window by consulting our Web site or by contacting Customer Service.

How long should I anticipate studying each CPCU course?

Although each student studies at a different pace, nearly 85% study two assignments each week. Depending on your professional background and the content of each assignment, the average preparation time needed for each assignment ranges from 4 to 8 hours. CPCU courses range from eight assignments to 15 assignments. At least two months of preparation time is recommended.

What is the format of CPCU exams?

As of January 2012, nine of the ten required CPCU exams are multiple-choice objective. The objective exams are: CPCU 500, CPCU 520, CPCU 530, CPCU 540, CPCU 551, CPCU 552, CPCU 553, CPCU 555, and CPCU 557. The other CPCU exams—CPCU 556 and CPCU 560 (elective) remain as essay exams. More information on exam format types and grading is available in the free publication, *How to Prepare for Institutes Exams*. You can download the booklet from our Web site: Students>Publications and Forms.

When will I test?

After studying approximately 50 to 60 percent of the material, you should register for one of the quarterly testing windows. For more information, contact the Customer Service Department at customerservice@TheInstitutes.org or (800) 644-2101. Our exam windows are as follows:

- January 15–March 15
- April 15–June 15
- July 15–September 15
- October 15–December 15

Where will I take the exams?

The Institutes administer exams at three distinct kinds of testing centers: (1) Prometric Testing Centers (at locations worldwide), (2) Institutes Approved On-Site Testing Centers, and (3) International Pen-and-Paper Testing Centers. Different registration procedures and fees apply for each. For more information on testing center locations and fees, including discounted and reduced fees, log on to our Web site or consult our current catalog, which is available for download on our Web site's home page.

How long will the entire CPCU program take to complete?

This depends on how you schedule your study time and on how you balance your work, family, and educational commitments. A highly energized completion plan might include your taking one course in each of our quarterly testing windows; in this scenario, you may be able to complete the program in as little as two years. Most students, however, typically take more time. The median completion time for recent completers is 3.7 years.

Personalized Interactive Calendar

To see a personalized view of our recommended study and exam-taking schedule, visit our Web site at <https://www.TheInstitutes.org/cpcu/chartingsuccess.htm>.

Where is Conferment held?

Locations and dates for upcoming CPCU national conferment ceremonies and CPCU Society annual meetings can be found on either organization's Web site. Check the CPCU Society's home page "FAQ" link for quick access.

74%

- 74% of CPCU program completers say earning the designation helped them gain a promotion or salary increase.



***Stay committed to your
decisions; but stay flexible in
your approach.***

–Tony Robbins

► CPCU Program Description

The CPCU program consists of eleven courses. All candidates must pass the exams for eight courses, including the four foundation courses. In addition, you select one elective course and either the commercial or personal insurance concentration. You may not combine courses from both concentrations.

CPCU Course Descriptions

The current program stands at eight examinations—four foundation courses, one elective course and three concentration courses. The core courses continue to reflect the broad-based curriculum of the early program—risk management and insurance principles, operations, regulation, statutory accounting, law, and finance. The elective course increases the relevancy to the individual allowing study in a functional area of their choosing and provides opportunity to earn cross-credit from other Institutes' programs. The concentration courses allow students to deepen their understanding of either commercial lines or personal lines insurance. The core principles of education, ethics, and experience remain strongly intact.

CPCU Ethics Requirement

The Institutes believe that the study of ethics is essential to the professional practice of risk management and insurance. By separating the ethics component, students will be able to more effectively study ethics and achieve a greater understanding of the science and art behind ethical decision-making in the context of the insurance business.

The CPCU ethics requirement is satisfied by completing the online module, *Ethics and the CPCU Code of Professional Conduct* (Ethics 312), or by having credit for CPCU 510, prior to March 15, 2011.

CPCU Experience Requirement

The CPCU experience requirement is two years. The two-year experience requirement applies to all CPCU students and candidates who qualify for the class of 2010 and beyond, regardless of when the individual started in the program.

Core Courses and Topics Covered

CPCU 500—Foundations of Risk Management and Insurance: Introduction to Risk Management, Risk Assessment, Risk Control, Risk Financing, Enterprise-Wide Risk Management, Insurance as a Risk Management Technique, Insurance Policy Analysis, and Common Policy Concepts.

CPCU 520—Insurance Operations: Overview of Insurance Operations, Insurance Regulation, Insurance Marketing and Distribution, The Underwriting Function, Underwriting Property and Liability Insurance, Risk Control and Premium Auditing, The Claim Function, Adjusting Property and Liability Claims, Actuarial Operations, and Reinsurance.

CPCU 530—Business Law for Insurance Professionals: Introduction to U.S. Law, Contract Law, Contract Law: Insurance Applications, Commercial Law, Property Law, Tort Law, Agency Law, Agency Law: Insurance Applications, Business Entities and Employment Law, and International Legal Environment.

CPCU 540—Finance and Accounting for Insurance Professionals: Introduction to Corporate Finance and Accounting, GAAP Financial Statements, GAPP Financial Statement Analysis, Insurer Statutory Accounting, Insurer Statutory Annual Statement Analysis, Cash Flow Valuation, Bonds and Stocks, Insurer Investment Portfolio Management, Insurer Capital Needs and Sources, Capital Management, Mergers and Acquisitions, and The Underwriting Cycle.

(Continued)

92%

- 92% of CPCU program completers say earning the designation helped them prepare for their long-term career goals.

Three courses in *either* the personal or commercial concentration:

Commercial Insurance Concentration Courses

CPCU 551—Commercial Property Risk Management

Insurance: Introduction to Commercial Property Insurance; Building and Personal Property Coverage Form; Causes of Loss Forms; Other Commercial Property Coverage Options; Flood, Earthquake, and Specialty Forms; Business Income Insurance; Inland Marine and Ocean Cargo; Commercial Crime Insurance; Equipment Breakdown; Businessowners Policies; Industry-Specific Policies; and Surety Bonds.

CPCU 552—Commercial Liability Risk Management

and Insurance: Introduction to Commercial Liability Insurance; Commercial General Liability (CGL); Business Auto, Garage and Motor Carrier; Workers Compensation and Employers Liability; Management Liability; Professional Liability; Environmental; Aviation; Excess and Umbrella Liability Insurance; Cyber Risk; and Terrorism.

CPCU 553—Survey of Personal Risk Management, Insurance, and Financial Planning:

Personal Insurance Overview; Automobile Insurance and Society; Personal Auto Policy: Liability, Medical Payments, and UM Coverage; Personal Auto Policy: Physical Damage; Duties After an Accident; Endorsements; Homeowners Property Coverage; Homeowners Liability Coverage; Homeowners Coverage Forms and Endorsements; Other Residential Insurance; Other Personal Property and Liability Insurance; Life Insurance Planning; Retirement Planning; and Disability and Health Insurance Planning.

Personal Insurance Concentration Courses

CPCU 555—Personal Risk Management and

Property-Casualty Insurance: Personal Risk Management; The Personal Auto Insurance Environment; Personal Auto Insurance: Liability, Medical Payments, and UM Coverage; Personal Auto Insurance: Physical Damage and Endorsements; Homeowners Property Coverage; Homeowners Property Coverage: Perils, Exclusions, and conditions; Homeowners Liability Coverage; Other Homeowners Coverage Forms and Endorsements; Other Residential Insurance Coverages; Watercraft, RVs, Mobile Homes, and Excess Liability; Personal Lines Profitability and Pricing; and Personal Lines Portfolio Management.

CPCU 556—Personal Financial Planning: Coordinated Financial Planning, Using Insurance Effectively, Investments and Investment Planning, Income Tax Planning, Planning for Retirement and Capital Accumulation Plans, and Estate Planning.

CPCU 557—Survey of Commercial Risk Management

and Insurance: Commercial Property, Business Income, Commercial Crime, Equipment Breakdown, Inland and Ocean Marine, Commercial General Liability, Commercial Auto, Businessowners, Farm, Workers Compensation and Employers Liability, Miscellaneous Coverages.

One elective course:

The elective course increases the relevancy to the individual allowing study in a functional area of their choosing and provides opportunity to earn cross-credit from other Institutes' programs.

Approved elective courses are:

- AAI 83
- AIC 34
- AIC 35
- AIC 36
- ARe 144
- ARM 56
- AU 65
- AU 66
- CPCU 560
- ERM 57

Hold yourself to a higher standard than anybody else expects of you.

—Henry Ward Beecher

► CPCU Code of Professional Conduct

About the CPCU Code of Professional Conduct

The CPCU Code of Professional Conduct is the standard by which your ethical behavior as a candidate or CPCU designee is measured. You are subject to the Code once you complete the online matriculation form, and you continue to be subject to it throughout your candidacy and after receiving the CPCU designation.

- The high goals described in the Canons challenge all CPCUs and CPCU candidates to aspire to the highest level of ethical performance in all of their professional activities.
- The minimum standards of conduct, described in the Rules, maintain the integrity of the CPCU designation. CPCUs and CPCU candidates are obligated to at least meet the minimum standards in the Rules, and failure to do so may subject a CPCU—or a CPCU candidate—to disciplinary measures.

The Canons of the CPCU Code of Professional Conduct

Canon 1—Insurance professionals should endeavor to place the public interest above their own.

Canon 2—Insurance professionals should seek continually to maintain and improve their professional knowledge, skills, and competence.

Canon 3—Insurance professionals should obey all laws and regulations, and should avoid any conduct or activity that would cause unjust harm to others.

Canon 4—Insurance professionals should be diligent in the performance of their occupational duties and should continually strive to improve the functioning of the insurance mechanism.

Canon 5—Insurance professionals should aspire to raise the professional and ethical standards in the insurance business.

Canon 6—Insurance professionals should strive to establish and maintain dignified and honorable relationships with those whom they serve, with fellow insurance practitioners, and with members of other professions.

Canon 7—Insurance professionals should assist in improving the public understanding of insurance and risk management.

Canon 8—CPCUs should honor the integrity of the CPCU designation and respect the limitations placed on its use.

Canon 9—CPCUs should assist in maintaining the integrity of the CPCU Code of Professional Conduct.

To read the full text of The Canons, Rules, and Guidelines of the CPCU Code of Professional Conduct, visit our Web site at www.TheInstitutes.org/doc/canons.pdf and download a free copy.

► Equivalency Chart

Effective November 2011

Existing Credit	Earns Credit in New CPCU
CPCU Exams Passed	
CPCU 1	CPCU 510
CPCU 2	CPCU 553 or CPCU 555*
CPCU 3	CPCU 551
CPCU 4	CPCU 552
CPCU 5	CPCU 520
CPCU 6	CPCU 530
CPCU 7 or 9	CPCU 560
CPCU 8	CPCU 540
Institutes Programs Completed	
AAI	CPCU Electives Waiver
API	CPCU 555
AINS 21 and 22	CPCU 553*
AINS 21 and 23	CPCU 557*
Advanced Degrees/Professional Designations	
Masters in Financial Services, CLU, ChFC, or CEBS	CPCU 556
MBA, Masters in Finance	CPCU 540
Masters in Risk Management and Insurance	CPCU 500
Law Degree	CPCU 530
Both CII P05 Insurance Law and 530 Business and Economics	CPCU 530
CII 940 Finance and Accounting	CPCU 540
AIIIC or CIP, Insurance Institute of Canada	CPCU 500, CPCU 530, and CPCU Electives Waiver
Non-Life Fellow, Insurance Institute of India	CPCU Electives Waiver
RPLU, ACAS, FCAS, CFA, CPA, FLMI	CPCU Electives Waiver
CAS 1 - Risk management & Insurance Operations	CPCU 500
CAS 2 - Insurance Accounting (Must have both courses to earn waiver)	CPCU 520

*This credit will be automatically applied to the concentration you choose.

Note: Because of the dynamic nature of The Institutes courses and programs, waivers granted are subject to continuous review and may change without notice at any time.

▶ Effective Use of Institutes' Study Materials

Making effective use of the primary study materials is the best way to prepare for an exam. These primary study materials are the textbooks, course guides, and practice exams. Supplemental (optional) SMART packages are also available for students.

Using the Course Guide

The course guide provides an overview of the content by assignment and several aids to help you study.

Some students complete all sections of their course guides, while others use only those portions necessary to reinforce their understanding of the material. Occasionally, topics that will be tested are put into the course guides, so we urge students to read their course guide completely.

Educational Objectives

Many people consider the Educational Objectives to be the key to success on Institutes exams. Because all exam questions are based on the Educational Objectives, the best way to study is to focus on these objectives. A thorough review of the objectives before you read the text will help you focus on the critical components of each chapter while you read.

Required Reading

The items listed in this section indicate what portion of the study materials correspond to the assignment.

Outline

The outline lists the topics in the assignment. Read the outline before the required reading to become familiar with the assignment content and the relationships of topics.

Key Words and Phrases

These words and phrases are fundamental to understanding the assignment, and they have a common meaning in the insurance industry.

Review Questions

The review questions test your understanding of what you have read. Review the Educational Objectives and required reading, then answer the questions to the best of your ability. When you are finished, check the answers to evaluate your comprehension.

Application Questions

These questions continue to test your knowledge of the required reading by applying what you've studied to real-life situations. Again, check the suggested answers to evaluate your progress.

SMART Online Practice Exam and QuizMe Apps

The SMART Online Practice Exam helps you test your knowledge of the material to become familiar with the test format and actual testing experience. A code to access the SMART Online Practice Exam is included with each CPCU course guide. The SMART QuizMe apps may be purchased from the iTunes Store or Android Market.

▶ Tips for Learning and Remembering Content

Using The Memory Aids

Memorizing makes it possible for you to move through the important early stages of remembering: awareness, recognition, and recall. Memorizing course ideas is not an educational end in itself, but it is essential to being able to use those ideas to answer questions or to solve problems.

The following techniques can help you memorize, reinforce, and retain course ideas:

Verbalize to reinforce. When you encounter new concepts, talk about them with someone at the office or in class. Put them into your own words, and try to explain them to others.

Use flash cards. Review Key Words and Phrases by using the Flash Cards included with the SMART Study Aids. Or write unfamiliar words or phrases on one side of an index card, with the definition or explanation and a brief example on the other side. The act of writing helps you commit the words and phrases to memory. This can be a useful study tool to use when reviewing for an exam.

Paraphrase by rewriting definitions of unfamiliar words or phrases in your own words. Rote memorization of a definition or concept is fine for a short time. But over time, you should be able to move from the author's definition to one that is stated clearly in your own words. When you can do this, you have moved from "renting" ideas to "owning" them.

Use ideas that you encounter in your studies. When the course material is relevant to your present job, use course ideas as you make decisions, correspond with clients, or talk with colleagues.

Include a series of review sessions in your study routine. Short-term or long-term reviews can enhance retention.

Instead of merely saying, "I know that" to an Educational Objective, a key word, or a review question, speak or write the answers. Also, periodically try reviewing small portions from several assignments rather than all the information from just one assignment.

Studies have shown that without the reinforcement provided by review, up to 75 percent of new material is forgotten within a matter of days.

Applying What You Learn

New information may be valuable in itself, but the real value is in being able to apply new information in a practical way. If the course ideas are applicable to your work activities, use them in answering questions or solving problems. Your new knowledge can also increase your understanding of what others in your functional area do and how your work activities relate to others in insurance and risk management.

If new course ideas are not applicable to your job, talk with others who work with these concepts to gain a better understanding of the connection between theory and practice.



1,100

- ▶ More than 1,100 CPCU designees serve as president or chief executive officer of insurance companies.

According to a membership profile compiled by the CPCU Society.

Begin with the end in mind.

—Steven Covey

Unless otherwise noted, statistics are based on a 2008 survey of CPCU program completers.

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