

Questions and Answers About the AIAF Program Revision

The American Institute for Chartered Property Casualty Underwriters and Insurance Institute of America (the Institutes) are revising the Associate in Insurance Accounting and Finance (AIAF) program. AIAF 113, Insurance Company Finance, will be replaced by a new version of CPCU 540, Finance for Risk Management and Insurance Professionals.

The following Q&As address questions that current or prospective AIAF students might have about this revision. If you are already working towards earning AIAF or you are planning to begin AIAF studies in 2006, it is important that you understand the impending changes so you can plan your studies to your best advantage.

Q: What are the new completer rules for earning the AIAF designation?

A: Beginning in 2007, you can earn the AIAF designation by passing the exams for the following courses:

- CPCU 520 Insurance Operations, Regulation, and Statutory Accounting
- CPCU 540 Finance for Risk Management and Insurance Professionals (Passing CPCU 8 or any prior version of CPCU 540 will satisfy this requirement.)
- AIAF 111 Statutory Accounting for Property-Casualty Insurers
- AIAF 112 Insurance Information Systems

Q: When will the exam for the new CPCU 540 course become available?

A: The exam for the new CPCU 540 course will be available beginning on January 15, 2007.

Q: When will study materials for the new CPCU 540 course become available?

A: The new textbook and course guide will be available for sale in August 2006. The SMART study aids (Review Notes and Flash Cards) will be available for sale in September 2006. This will give students sufficient time to study for exams administered in the January 15 to March 15 exam window in 2007, when the new CPCU 540 exam will first become available.

Q: How much longer will the AIAF 113 exam be available?

A: The AIAF 113 exam will be available only until the end of the last testing window in 2006. This testing window begins October 15 and ends December 15, 2006. Other 2006 testing windows are April 15 to June 15 and July 15 to September 15.

Q: What happens if I take the AIAF 113 exam in the last testing window of 2006 but do not pass?

A: Students who take the AIAF 113 exam in the last testing window in 2006, but do not pass, can retake the AIAF 113 exam in the January 15 to March 15 testing window in 2007. Those who do not pass the AIAF 113 exam by the end of the January–March 2007 testing window will need to pass the exam for the new CPCU 540 course.

Q: Can AIAF 113 be used to waive CPCU 540 for the CPCU designation?

A: No. Passing AIAF 113 does not gain credit for CPCU 540.

Q: Instead of taking the AIAF 113 exam in 2006, can I take the exam for the current CPCU 540 course in 2006 and receive credit towards the AIAF designation?

A: Yes. However, if you pass the CPCU 540 exam in 2006, you will not be recognized as an AIAF completer until 2007. This is because the new AIAF completer rules—which accept any version of CPCU 540 instead of AIAF 113—do not take effect until 2007.

Q: Is there any advantage to taking the CPCU 540 exam instead of the AIAF 113 exam in 2006?

A: Yes. By passing the CPCU 540 exam you would also receive credit towards the CPCU designation. Another advantage is that a Practice Exam CD-ROM and SMART study aids (Review Notes and Flash Cards) are available for CPCU 540 but not for AIAF 113.

Q: Is there any disadvantage to taking the CPCU 540 exam in 2006?

A: Possibly. If you do not pass the CPCU 540 exam in 2006, you will need to purchase new study materials to prepare for the new CPCU 540 exams to be administered in 2007.

Q: If I take the CPCU 540 exam in 2006, which textbook will the exam be based on?

A: All CPCU 540 exams administered in 2006 will be based on the current CPCU 540 textbook, *Fundamentals of Corporate Finance*. Beginning in January 2007, all CPCU 540 exams will be based on the new CPCU 540 textbook, *Finance for Risk Management and Insurance Professionals*.

Q: How can I get more information about the AIAF program, buy study materials, or register for an exam?

A: You can either contact the Institutes' Customer Service Department (1-800-644-2101 or cserv@cpcuiia.org) or visit the Institute's Web site (www.aicpcu.org).

