

## Welcome

Welcome to the Fall 2006 edition of *The Malvern Examiner*, published to provide news, program and exam information, updates, and resources to students enrolled in AICPCU and IIA programs. Topics in this issue include the following:

- Q&A with the Institutes' new president/CEO
- New Professional Development Series
- Writing examination questions
- Automatic CE notice
- ACE transcript service
- National CPCU and ASLI conferments
- CPCU focus groups
- Outstanding course leader recognition on the Web
- Profiles of two Institute staff members

If you have comments, suggestions, or questions about this issue, please e-mail [publicrelations@cpcuiia.org](mailto:publicrelations@cpcuiia.org).

## Programs/Text Updates

### Complete List of CPCU/IIA Course/Text Changes for Exams Effective January 2007

The Summary of CPCU/IIA Course Changes for Exams Effective January 2007 is available on our Web site (<http://www.aicpcu.org/doc/2007StudyMaterialChanges.pdf>). This information is provided for general information purposes only. To ensure that you have the correct study materials for the exam you plan to take in a specific testing window, please contact the Customer Service Department at [cserv@cpcuiia.org](mailto:cserv@cpcuiia.org) or (800) 644-2101.

### *Institutes Online Professional Development Series to Begin*

In January 2007, the Institutes will launch a series of new online professional development courses designed to help you stay on top of critical topical issues in our industry. The Professional Development Series (PDS) will provide you with up-to-the-minute information on trends and developments in today's complex property-casualty insurance marketplace.

The first two courses in the series are as follows:

- **Reinsurance.** General topics will include emerging sources of liability (pharmaceutical products, lead paint), catastrophe exposures (hurricane, earthquake), and market trends (Bermuda, reinsurance pricing).
- **Risk Management.** General topics will include captives, enterprise risk management, catastrophes/securitization, intellectual property, crisis management, and emerging liability issues.

All PDS course materials and examinations are online. To earn a certificate of completion, students must correctly answer 150 questions within a 12-month period. Students are entitled to 365 days of access to the online material to use as a resource on current topics and issues, whether they choose to take the exam or not. PDS courses are open to anyone, and they are not required to complete or maintain any Institute certificate or designation program.

For additional information, please contact the Customer Service Department at [cserv@cpcuiia.org](mailto:cserv@cpcuiia.org) or (800) 644-2101.

## **Exam Updates**

### **Release of Grades for Certain January 2007 Exams Will Be Delayed**

Because of the extent of the changes in texts used for certain Institute courses, students taking first window (January–March 2007) exams for the courses listed below will not receive an automatic score at the time the test is administered.

AIC 33  
ARM 56  
AAI 83  
APA 92  
AIT 134  
ASLI 163  
ASLI 164

All results for the exams on these specific texts will be returned to the Institutes for analysis to ensure that different test forms are comparable in fairness and reliability and produce valid test results for all test takers.

Regardless of when within the window a student took his or her exam, official grade reports for these exams will be mailed during the third week of March 2007. Grades will also be available online as soon as grading is completed. Checking grades online will be the fastest way for a student to determine how he or she did on a specific exam.

For additional information, contact the Customer Service Department at [cserv@cpcuiia.org](mailto:cserv@cpcuiia.org) or (800) 644-2101.

## **New Grade Analysis Feature Available Online**

The Institutes recently implemented a new grade analysis feature for exams taken on or after February 15, 2006. This system provides information to help students with exams they did not pass. Students can log on to our Web site to review their grades; click on an exam they did not pass; and view a printable report that lists the educational objectives, by assignment, for questions they answered incorrectly.

To access the new grade analysis tool, go to our Web site, [www.aicpcu.org](http://www.aicpcu.org), select Student Services on the left side of the page, and select Grades. Log in with your ID number and PIN. Click the View Grades button to access your grades. Remember, this feature covers only exams taken on or after February 15, 2006.

It is important that students review all educational objectives before retaking an exam because each exam covers only a sample of the content of each course and the same educational objectives will not necessarily be covered on every exam. The new grade analysis tool should be used to direct final review or identify areas where additional study might be appropriate. We hope students find this new grade analysis tool useful.

## **Everything You Need to Know About Institute Exam Questions**

When students encounter a question that they don't recognize on an Institute examination, they sometimes wonder, "Where did THAT question come from?" The simple answer: the book. The more complicated answer: exam questions are based on many sources within our study materials. The question writing process is designed to ensure that Institute examinations fairly test students over the required reading material so that those examinations provide valid and reliable results.

The basis of each question on the examination is an educational objective in the course guide (or text, for those courses without a course guide). Each chapter in the text has a page titled "Direct Your Learning," which contains educational objectives for that chapter. These objectives generally match those in the course guide; any difference between the educational objectives in the text and the course guide is usually the result of having an additional reading in the course guide.

The objectives define for students not only the material they need to know but also in what depth. That is, some objectives might require a student to merely list a set of features. Other objectives might require the student to describe or compare those features. Students often voice concerns when a course contains mathematical formulas and want to know whether they have to memorize the formulas. The answer depends on the objective. The educational objective might instruct students that they need not memorize the formulas, but only apply them. In this case, the formulas would be provided with the exam question. In some courses, an objective might tell the students that they need to know the formulas and be able to apply them. In this case, they would be required to know the formulas and apply them to a case—a more difficult objective.

New exam questions, which are written by subject matter experts, are reviewed in two major ways. An internal review is made to ensure that the questions meet the Institute's requirements on style, clarity, lack of bias, link to an educational objective, and support by the text material. For multiple-choice questions, this last requirement means not only that the correct answer must

be supported by the text material but also that the student could determine that the distractors (wrong answers) are incorrect based on the text material.

As a next step, questions are reviewed by external subject matter experts to be certain that the questions reflect the “real world.” These subject matter experts check to see that the questions are realistic and reflect industry practices and that the terminology used is clear to persons in the industry. A question might contain both the industry and the textbook terminology to ensure the intent of the question is clear.

To the greatest possible extent, the Institutes seek consistency among practice exam questions in the course guide, practice questions on the SMART study disk, and questions on the actual exam. Students should keep in mind, though, that the questions in the course guide and on the study disk are designed to provide a feel for the exam process; such practice exams cannot cover the full scope of material subject to examination.

The most important point to remember is that every examination question is tied directly to an educational objective. Students who use the study material to master the educational objectives are well positioned to pass the exam.

## **Study Tips/Classes**

### **Good Instructors and Flexibility Are Keys to Online Class Success**

*Institutes Online* Classes can be a great study option, especially if you’re constantly balancing your studies with home and work responsibilities. The flexible schedule of an online class allows instructors to introduce a new assignment each week to help keep you on pace for your exam, without *requiring* you to stick to that schedule. You can log in any day or time and work at your own pace to complete the assignments. Online classes also provide the direction and experience of a knowledgeable instructor. Our instructors, who visit the online classroom an average of five times per week, will ask and answer questions, give you feedback on quizzes, and coach you through the study materials.

But don't take our word for it! We recently surveyed our online students, and here's a sampling of what they like about our online classes:

- "I like that the class is self-paced and that there are no deadlines. I like being able to learn on my time and still have classroom interaction. It was helpful to be able to see my classmates' answers when I didn't quite get a certain concept."
- "I like the flexibility of participating in the class as it fits my schedule. It's hard to be at a class at a specific time each week with working and having a family."
- "My teacher was very good. I felt bad because I was always behind, but my teacher always encouraged me to keep going. Frankly, I couldn't have done it without the encouragement. I really liked the Discussion Board questions because they are good practice. I will definitely use this mode of training to complete my CPCU pursuits. I would rather do it this way than in a traditional class setting because I can do it on my own time."

- "The teacher was very helpful and understanding. He responded very quickly, and that was much appreciated!"
- "Tessa [Lucero, CPCU 540 instructor] has a way of explaining in plain language what a concept means and gives real-world examples. IF I pass this class, it is only because of Tessa. I know that there is no possible way I could have finished without her. In fact, I truly thought about quitting early in this class, and it was only her supportive words that kept me going."
- "I am very glad I did decide to take this class. With this being my last exam to complete my designation, I could not imagine having to learn all the information by self-studying. CPCU 540 can be overwhelming and frustrating. The encouragement from the instructor alone was worth the cost."

Our students agree that the best features of our online classes are our instructors' knowledge and dedication and the flexibility of the online class schedule. You can try a demo class, check out our Frequently Asked Questions, or register for a class on our Web site, [www.aicpcu.org](http://www.aicpcu.org). For additional information on *Institutes Online* Classes, contact the Customer Service Department at [cserv@cpcuia.org](mailto:cserv@cpcuia.org) or (800) 644-2101.

## What's New

### Institute President and CEO Talks About Education



*The Malvern Examiner* caught up with the Institutes' new president and CEO, Peter L. Miller, to talk about his views on professional development and its importance in the insurance industry.

*The Malvern Examiner*

What's your philosophy about professional development?

Pete Miller

Ongoing professional development is critical, especially in the property-casualty insurance industry. The rate of change is so fast, but by maintaining high levels of technical knowledge you can stay ahead of the curve. Speaking from my own experience, ongoing professional development has helped me in my career.

*TME*

Most people reading this are involved in a professional development program. But what would you say to someone who is still on the fence and isn't sure about continuing?

PM

First, examine where you want to go in your career and understand what you think the skills are that you need to do that job. It's kind of like the saying, "Dress for the job you want, not for the

job you have.” The same thing applies to knowledge—learn today the skills you need to get to the next level.

Second, should you take the time to learn? Will there be a payoff? The answer to both questions is “yes.” Leaders in organizations across the industry hold Institute designations, like CPCU, AIC, ARM, and others. And those designations are well recognized in our industry. If you want to advance your career, one of the most important things you can do is to make sure your knowledge level is where it needs to be.

Third, if you’re not sure about continuing, make certain you’re in the right program to meet your personal and professional needs. There’s nothing more discouraging than trying to stick with a program that is either too difficult or too easy or just isn’t relevant to your job. We have a lot of programs to choose from, in addition to offering free educational counseling to help you select the right one.

*TME*

Everyone today has time pressures. Work and personal schedules are increasingly busy. What would you say to a student who says, “I don’t have time for professional development”?

*PM*

Only you can determine your priorities. But if your career is important to you, I strongly recommend that you find a way to fit it in. And believe me, I know it can be hard. But I also know that the rewards of increased technical competence and greater efficiency are worth the effort. Also, our courses are designed to be studied over 15 to 17 weeks. If you break it down and study a couple hours each day, the programs are very do-able. If you set a study plan and stick to it, you can fit professional development into your schedule. Investing in yourself has payoffs down the road.

We also offer some of our programs in shorter seminar format, so you can study smaller chunks of material at a time.

*TME*

Can you tell us something about your vision for the Institutes?

*PM*

It’s an exciting time for us. The p-c industry is changing rapidly, and the marketplace demands responsiveness. Going forward, we are striving to enhance our customer focus and deliver educational solutions that meet our customers’ changing needs. We’re looking for new and innovative ways to deliver technical insurance knowledge quickly, conveniently, and cost effectively.

*TME*

Finally, if you could say one thing to everyone in the property-casualty insurance industry, what would it be?

*PM*

Our industry is built on a promise of helping people rebuild their lives in a time of need. Professional development equips people with the knowledge and skills to do their jobs better. And when you have that increased technical competence, you help your organization and the entire industry live up to that promise.

## **Automatic CE Filings**

Effective January 1, 2007, continuing education (CE) credits will automatically be filed for students who have a valid producer and/or adjuster\* license number on file at the Institutes. Upon passing an exam that is approved for CE credit in the licensing state, the licensee will automatically receive CE credits. Students no longer need to call the Institutes to order CE.

If you are a licensed producer and/or adjuster\* and require continuing education, please make sure your license number and demographic information are up to date by contacting the Customer Service Department. If you no longer require CE, please invalidate your license number.

The Institutes will continue to follow current filing procedures with all states. There are no state fees or other charges to the student for this new service.

Your registration confirmation for exams beginning January 2007 will contain information about this new service. Please pay close attention to these instructions if you are required to earn CE credits in your state.

If you have any questions, please contact Customer Service.

\*Important Note: Not all Institute courses are currently approved for adjusters. Contact the Customer Service Department at [cserv@cpcuiia.org](mailto:cserv@cpcuiia.org) or (800) 644-2101 for a list of those that are approved.

## **Automated ACE Transcript Service Available**

The American Council on Education (ACE) has made the application for ordering ACE transcripts available online. If your college or university requires certification of Institute courses to award academic credit to you for IIA and CPCU courses taken, you may request an official transcript on the ACE Web site, [www.acenet.edu](http://www.acenet.edu). Verification of your Institute courses is handled electronically within two business days; once verification is complete, ACE will issue the official transcript.

ACE has made college credit recommendations for Institute courses for a number of years. Most credit recommendations are at the undergraduate level; however, a number of courses carry recommendations for graduate credit. To review the IIA and CPCU recommendations issued by ACE, visit the Institutes' Web site, [www.aicpcu.org](http://www.aicpcu.org).

Students who have successfully completed Institute courses can, in many cases, use ACE recommendations to earn college credit. Contact the registrar's office at your college or university for specific information relative to your school's requirements for ACE credit recommendations. ACE credit recommendations are not binding and are provided as guidelines only.

If you have any questions regarding college credit for Institute courses or ACE transcripts, please e-mail Tina Keller at [keller@cpcuiia.org](mailto:keller@cpcuiia.org) or call her at 610-644-2100, x7353.

## **Milestone Reached in ARM Program**

A significant milestone occurred in the Associate in Risk Management (ARM) program in March 2006 when Vicki Knudson, AIC, ARM, became the 25,000<sup>th</sup> person to earn the ARM credential since the inception of the program. Vicki, a senior claims specialist with JMB Insurance in Chicago, said of the ARM program, "I see my work from a different point of view now. The ARM program helps me look at claims more holistically and also gives me a broader perspective of the industry in general."

ARM is a demanding program consisting of three college-level courses that teach students how to assess risk, how to implement and monitor risk control measures, and how to finance risk. To earn the designation, Vicki, like all other ARM designees, passed three examinations—one for each course in the program.

Richard G. Berthelsen, JD, CPCU, ARM, director of curriculum for the ARM program, said, "For more than forty years, ARM has been the most respected and recognized risk management education program. The fact that we now have 25,000 graduates from 15 different countries speaks volumes about the program's overall quality, practicality, and high degree of relevance."

ARM designees are employed by a wide variety of businesses and organizations in diverse job areas. For additional information on the ARM program, visit our Web site, [www.aicpcu.org](http://www.aicpcu.org), or contact the Customer Service Department at [cserv@cpcuia.org](mailto:cserv@cpcuia.org) or (800) 644-2101.

## **Institutes Host CPCU Focus Groups**

In an effort to better understand the educational needs of our students, the Institutes hosted five focus groups, consisting of new CPCU designees, during the CPCU Society's 2006 Annual Meeting and Seminars, held September 9 through 12 in Nashville, Tenn. Two of these focus groups considered issues important to the CPCU program, and the other three groups considered the specialty areas of claims, commercial underwriting, and personal insurance.

The CPCU-related focus groups discussed the tangible benefits participants had experienced from earning their designation. Additionally, participants were asked to consider how the CPCU designation, and the knowledge gained in earning it, might be used to advance their careers. Participants also were asked about their experiences with the personal and commercial tracks within the CPCU program and how these experiences might be enhanced.

The claims, commercial underwriting, and personal insurance focus groups directed their attention to specific improvements that could be made to the specialty programs administered by the Insurance Institute of America (IIA). These focus groups were asked to identify today's important education and training needs and how these needs were being addressed or could be addressed. In particular, participants were asked whether their organizations were using Internet-based seminars and teleconferences for education and training issues and concerns.

The Institutes are committed to meeting the evolving educational needs of the property-casualty industry, and these focus groups can help us identify unmet education needs.

## **Institutes Announce Partnership in India**

In July 2006, the Institutes announced a new partnership with the International Academy of Insurance & Financial Management (IAIFM) in New Delhi, India.

As the Institutes' partner in India, the IAIFM will adapt and deliver Institute programs and will, where necessary, customize specific courses to reflect regulatory and procedural differences unique to the local insurance market. The IAIFM will offer the Institutes' introductory courses and the Program in General Insurance as well as six designation programs—Accredited Adviser in Insurance (AAI<sup>®</sup>), Associate in Claims (AIC), Associate in Commercial Underwriting (AU), Associate in Marine Insurance Management (AMIM<sup>®</sup>), Associate in Risk Management (ARM), and Associate in Personal Insurance (API).

“India has a developing property-casualty insurance industry,” said Peter L. Miller, president and chief executive officer of the Institutes, “and our partnership represents a significant opportunity to expand our mission to promote education, ethics, and professionalism in risk management and insurance in a vital world market.”

The IAIFM is an established leader in insurance education and professional development in India. In addition to providing property-casualty insurance education in partnership with the Institutes, the IAIFM also provides life insurance and financial services education through another partner organization.

The Institutes maintain partnerships to translate and deliver our professional development programs in Brazil, China, France, and Taiwan. Institute programs are also delivered in English worldwide.

## **Marc W. Cleary Receives Jack F. Derrickson Award for Outstanding Course Leadership**

Marc W. Cleary, CPCU, ARM, is the 2006 recipient of the Jack F. Derrickson Award for Outstanding Course Leadership. He is a product lines specialist with Liberty Mutual in Boston and an instructor for the Insurance Library Association of Boston and the Boston Chapter of the CPCU Society.

The Derrickson Award, which is given by the Institutes annually, honors a teacher of insurance courses whose students pass national Chartered Property Casualty Underwriter (CPCU<sup>®</sup>) and IIA exams at a rate higher than the national average over an extended period of time.

Each year, the Institutes provide for the Derrickson winner and a guest to attend the annual CPCU conferment ceremony (held this year in Nashville, Tenn.), where the recipient is presented with a check for \$250 and a Derrickson Award plaque.

Cleary is a graduate of Stonehill College in North Easton, Mass., where he received a bachelor's degree in international affairs. He has taught Institute courses since he earned the CPCU designation in 1984. Cleary said his desire to teach stems from the two years he spent as a high school social studies teacher before joining Liberty Mutual.

“I found there was a need for instructors to communicate ideas to other people,” Cleary said. “The insurance industry is a good industry to be involved in from both a business perspective and as a teacher.”

The award is named for Jack F. Derrickson, CPCU, an insurance executive who graded CPCU and IIA examinations for 38 years and taught insurance courses through the Insurance Society of Philadelphia. Derrickson, who passed away in August 2004 at the age of 92, funded the award to recognize excellence in course leadership.

## **Other New Publications**

### **IRC Surveys Public Opinion on Issues Relating to Catastrophic Natural Disasters**

According to the Insurance Information Institute, 2005 was the most costly year on record for the U.S. insurance industry. Catastrophe losses from twenty-four U.S. disasters totaled \$61.2 billion, with insured losses from Hurricane Katrina alone set at \$40.6 billion. And the future does not seem much brighter. A leading catastrophe modeling company predicts that catastrophic losses will double every ten years due to increases in the number and value of properties at risk.

Because of the frequency and severity of recent natural disasters, the Insurance Research Council (IRC) recently examined the public's perception of vulnerability to natural disasters, actions taken to prepare for the aftermath of disasters, opinions regarding building codes and subsidization of insurance costs, and many other issues. The IRC's findings have been published in a study titled *Public Attitude Monitor 2006, Issue 1, Natural Disasters*, which was released on August 31, 2006.

Most Americans favor public policies that could help to mitigate the damage caused by catastrophic natural disasters. Survey respondents came out strongly in favor of a number of mitigating strategies. Nine out of ten supported the adoption and enforcement of building codes to make homes stronger and safer. Two-thirds endorsed building codes even when they would add 6 percent to the cost of a new home. Seven out of ten favored the adoption of laws and regulations restricting the construction of new homes in disaster-prone areas, including coastal areas, and slightly more than eight out of ten (82 percent) favored government action and public spending to preserve and rebuild coastal wetlands that act as buffers against hurricanes.

The public also expressed strong opposition to programs and policies that subsidize the cost of insurance for people in high-risk areas. Almost six in ten (59 percent) indicated that it is unfair to use taxpayer dollars to subsidize the cost of programs such as the National Flood Insurance Program. Just over six in ten (61 percent) found it unfair to require policyholders in non-coastal areas of a state to subsidize insurance for wind damage in coastal areas. Two-thirds disagreed with the idea of using taxpayer dollars to subsidize the cost of insurance to encourage new construction in coastal areas.

Survey findings indicate that, despite these strong opinions, much of the public is unprepared for a natural disaster. Only one-fourth (26 percent) said they are personally prepared for a natural disaster in their community, and just over one-third (38 percent) have a disaster preparedness kit containing enough food, water, and essential supplies to last at least three

days. Slightly more than half (58 percent) believed that emergency personnel in their community have adequate resources to respond effectively to a natural disaster. Among homeowners living in an area where floods and hurricanes could occur or have occurred in the past, 51 percent said they carried flood insurance and 9 percent weren't sure whether they had this coverage.

The findings are based on a self-administered survey completed by more than 1,400 members of an online consumer survey panel and conducted by Harris Interactive. The surveys were completed during a two-week period in late July and early August 2006. Results were weighted to reflect the distribution of the adult population of the United States.

*Public Attitude Monitor 2006, Issue 1, Natural Disasters*, can be purchased from the IRC's Web site, [www.ircweb.org](http://www.ircweb.org).

## **Institutes Web Site**

### **New Outstanding Course Leader Recognition on the Web**

The Institutes recognize outstanding CPCU and IIA course leaders whose performance consistently results in student pass ratios equal to or better than national averages. These outstanding course leaders receive public recognition and awards attesting to their achievements and are featured on a special section of the Institutes' Web site, <http://www.aicpcu.org/Corporate/CourseLeaderAwards.htm>.

Outstanding course leaders combine their expertise in the course content with effective learning activities and personal concern for their adult students. They provide a class structure that facilitates individual learning and an environment that supports academic success.

Course leaders are among a group of special people who have been able to provide a positive learning experience for their students. For the most part, they hold full-time jobs and teach insurance courses part-time because they are committed to the professional development of their colleagues.

Do you think you have what it takes to be an outstanding course leader? Insurance societies and local CPCU chapters are always looking for new course leader candidates. You can locate class providers on the Institutes' Web site, [www.aicpcu.org](http://www.aicpcu.org). Your employer may even need course leaders for internal classes; check with your training coordinator or human resources department.

### ***2007 Succeed: The Institutes Professional Development Catalog Available on the Web***

Did you know that you can download the Institutes *2007 Succeed* catalog from our Web site, [www.aicpcu.org](http://www.aicpcu.org)? You can choose between two PDF versions: a PDF file of our complete 2007 catalog or a PDF file that opens the Table of Contents of the 2007 catalog, from which you can select the links to topics you want more information on and download only those pages. If you prefer a printed copy of the catalog, please contact the Customer Service Department at [cserv@cpcuiia.org](mailto:cserv@cpcuiia.org) or (800) 644-2101.

## **Odds & Ends**

### **Online CPD Application Available**

If you are a CPCU, applying for Continuing Professional Development (CPD) status is now easier than ever with the CPCU Society's online application form. A link to the CPD online form is available on the Institutes' Web site, [www.aicpcu.org](http://www.aicpcu.org). Track your progress electronically by filling in the application as you complete your qualifying activities, which are conveniently listed along with their corresponding point values on the form. Prefer to complete the application by hand? You may also download a copy of the application form from the Institutes' Web site.

Although CPD participation is voluntary, the CPCU Code of Ethics requires CPCUs to "seek continually to maintain and improve professional knowledge, skills, and competence." The CPD program, a joint effort of the Institutes and the CPCU Society, provides CPCUs with a way to honor this commitment and while earning recognition for continuing professional development. New designees are automatically enrolled in the CPD program and are pre-qualified for two years.

Additional information on the CPD program is available on the CPCU Program page of our Web site. For answers to specific questions about the CPD program, e-mail Lee Gardner at [cpd@cpcuiia.org](mailto:cpd@cpcuiia.org).

### **Make the Most of Your Designation**

Did you know that with your IIA designation or your advanced degree you may earn credit toward the CPCU program? With the Certificate in General Insurance, you earn credit for *either* CPCU 553 *or* CPCU 557. With the Accredited Adviser in Insurance (AAI<sup>®</sup>) designation, you earn credit toward CPCU 557. With the Associate in Personal Insurance (API) designation, you earn credit toward CPCU 555. With a law degree, you earn credit toward CPCU 530. And that's not all! For complete CPCU course waiver information, refer to the equivalency chart on the CPCU Program Page of our Web site, [www.aicpcu.org](http://www.aicpcu.org).

Professional designations or certificates also can be applied to programs other than CPCU. With the Certificate in General Insurance (or CPCU 553 or CPCU 555, CPCU 551, and CPCU 552), the AAI 81 exam is waived. And If you have successfully passed exams for certain Accredited Customer Service Representative (ACSR) modules, you are eligible for waivers for the AAI 81B and AAI 82A segments.

For additional information on how you can make the most of your designation, contact the Customer Service Department at [cserv@cpcuiia.org](mailto:cserv@cpcuiia.org) or (800) 644-2101.

### **The Pros and Cons of Changing a Student ID Number**

The Institutes use your Social Security number as your student identification number. It is an identifier commonly used by employers and other institutions; however, by law you are not required to disclose it. We recognize you may have concerns about privacy and identity theft. If

you elect not to disclose or use your Social Security number, we will assign a unique identification number to you.

To have a different identification number assigned to you, please call Customer Service at (800) 644-2101 or visit our Web site, [www.aicpcu.org](http://www.aicpcu.org). Click My Account in the left tool bar. Log in, and select Request a New ID.

Cautions about requesting new ID numbers:

- The Request a New ID function is not available to employees of some companies. Check with your employer before requesting a new ID number.
- Changing to a new ID number may delay employer reimbursement or incentive payments. Check with your employer before requesting a new ID number.
- Requesting a new ID number may result in exam grades being improperly recorded in your record. Always check your grades after changing your ID number.

### **Who are the Institutes and What is Their Connection to the CPCU Society?**

Confused about the relationship among the American Institute for CPCU (AICPCU), the Insurance Institute of America (IIA), and the CPCU Society? This article should help clarify the vital roles these organizations play in your professional development.

The AICPCU and the IIA (the Institutes) are independent, not-for-profit organizations offering educational programs and professional certification to individuals in risk management and the property-casualty insurance business. The Institutes are governed by the same Board of Trustees and CEO/Executive Council team but retain separate institutional identities.

The AICPCU administers the Chartered Property Casualty Underwriter (CPCU®) educational program and confers the CPCU designation. The IIA administers certificate and designation programs in areas such as general insurance, risk management, claims, agency services, and underwriting, as well as programs in a number of specialty areas. The Institutes comprise many interdependent departments (see related listing below) to help meet the needs of their students and corporate customers.

After you complete your CPCU studies, pass all the requisite national CPCU exams, and meet the CPCU ethics and experience requirements, you earn the CPCU designation from the AICPCU. You then become a member of the CPCU Society. In recognition of your earning the CPCU designation, the CPCU Society gives you a complimentary membership in the national CPCU Society, your local CPCU chapter, and the CPCU Society's special interest sections for the balance of the calendar year in which you are conferred.

The CPCU Society is a not-for-profit professional association for individuals who have earned the CPCU designation. The CPCU Society operates separately and apart from the AICPCU and offers continued insurance education, volunteer and leadership experiences, networking opportunities, and career development resources to its members. The Society's governing bodies consist of a Board of Governors and an Executive Committee.

By becoming one of the CPCU Society's 26,000 members, you can immediately begin enjoying the numerous benefits (see related listing below) offered at the national and local levels. For additional information about the CPCU Society and its programs and resources, visit the CPCU

Society's Web site, [www.cpcusociety.org](http://www.cpcusociety.org), or contact the Member Resource Center at (800) 932-2728 (press option #4).

For additional information about the Institutes and their programs and resources, visit the AICPCU/IIA Web site, [www.aicpcu.org](http://www.aicpcu.org), or contact the Customer Service Department at (800) 644-2101.

### **Institutes' Departments**

- **The Curriculum Department** oversees the content of all CPCU and IIA courses and follows a regular revision process to ensure that all programs and courses remain current, accurate, and relevant, uphold rigorous academic standards, and meet the needs of their intended audience.
- **The Examination Department** oversees the development, administration, and grading of all CPCU and IIA examinations. By following a systematic development and grading process, the Institutes ensure that their examinations uphold high academic standards and provide a fair and accurate measure of the candidates' mastery of their courses of study.
- **The Educational Services Department** enables our various constituents, such as students, course sponsors, course leaders, and employers, meet their educational goals with our programs, products, and services. The Department supports services such as the Web Student Advisor, online classes, online counseling, online forums, demonstration classes, and so forth. Educational Services also sponsors the national CPCU conferment ceremony each year, which is held during the CPCU Society's Annual Meetings and Seminars.
- **The Publications Department** is responsible for the editing, design, and production of CPCU and IIA textbooks, course guides, and other study materials from manuscript through delivery to the distribution center.
- **Customer Service** is responsible for entering all registration and study material information and transcript requests into the system as well as providing customers with educational counseling and information about our programs (including course descriptions, course waivers, and program completion rules), services, products, and resources.
- **Marketing and Public Relations** is responsible for maintaining regular and consistent communications with our students and corporate customers. Our four regional marketing directors and our marketing staff in Malvern communicate with customers and potential customers to let them know about our educational products, resources, and services.

### **CPCU Society Benefits**

- **Local chapter activities** where you can build a stronger business network and gain valuable volunteer experience in one of the Society's 153 chapters.
- **Member publications** that will allow you to stay abreast of the changing insurance industry and Society information, in both online and print.

- **Online resources** that give you access to members-only resources, including the CPCU Society membership directory, online library, and convenient online registration for educational events.
- **Ethics awareness** activities to help you stay informed of ethical issues through the Society's Ethics Awareness Month and online ethics resources.
- **Educational programs** that will help you sharpen your technical skills through property and casualty workshops; and enhance your professional skills through the CPCU Society National Leadership Institute.
- **Special interest sections** that will enable you to expand your industry knowledge and increase your value to clients by joining one or more of the 14 special interest sections.
- **Career management** resources, including the online National Job Network, that will help you advance your career.

### **Class of 2006 National CPCU Conferment Ceremony**

The American Institute for CPCU's (AICPCU) national conferment ceremony, held each year during the CPCU Society's Annual Meeting and Seminars, formally recognizes, with tradition and celebration, the perseverance and academic achievement of new CPCU designees. Conferment also provides new designees with the opportunity to professionally network, join in social activities with fellow CPCUs, and enjoy the venue of the annual meeting. Tiffany Frazier, CPCU, AIC, a catastrophe team manager for State Farm Insurance Companies in Jacksonville, Fla., is a perfect example of someone who made the most of a national conferment.

Tiffany Frazier, CPCU, AIC—*Come on Down!*

Little did Tiffany Frazier know that earning the CPCU designation in June 2004 would pay off so quickly! As a new designee, Tiffany attended the AICPCU's 2004 national CPCU conferment ceremony and the CPCU Society's 60th Annual Meeting and Seminars in Los Angeles with her mother, Deborah Brill, as her guest.

In addition to attending welcome receptions, new designee open houses, the conferment ceremony, the Society Expo, the general sessions, and many seminars, Tiffany and Deborah decided to get tickets to a taping of *The Price Is Right*, the longest-running game show in television history.

Because admission to the studio is on a first-come, first-served basis for ticket holders, Tiffany and Deborah arrived at the CBS Television City studio at five in the morning and began waiting in line with other prospective audience members. At 1:30 PM they were admitted to the studio, took their seats, and eagerly waited for the show to begin and the names of the first contestants to be called.

"I vaguely heard my name being announced," Tiffany recalls, "but I clearly remember seeing my name on the large cue card being held up in front. I ran down to Contestants Row and excitedly took my place in the second position." Two other contestants won the first two prizes presented for bid, but Tiffany won the third prize, a Flexsteel reclining chair. She was on her way.

Tiffany took her spot on stage with Bob Barker, the show's long-time host, alongside the One Away game set. (The One Away game board depicts the incorrect price of the prize, and the contestant must change each digit either one place higher or one place lower to reach the actual retail price.) A curtain opened to reveal the prize she would bid on—a Ford Escape SUV. Tiffany started changing the value of the digits, and learned from the show's announcer that four of the numbers were wrong. After a few tense moments of weighing options, she readjusted the price digits one last time, the correct price was revealed and Tiffany won the car.

Next came the first Showcase Showdown, the portion of the show that determines which two contestants will bid on the final two prize packages. Tiffany spun the large, heavy, 20-section wheel, received a score of \$95, and won a place in the Showcase, the final portion of the show in which the remaining contestants vie for high-priced prize packages.

Back on stage for the Showcase, with shouts from the audience filling the studio and only moments left before having to give a final bid, Tiffany called on her professional training and knowledge for the confidence she needed to concentrate on the practical aspects of coming up with the closest bid. Tiffany's bid of \$29,000 on her Showcase prize package, which consisted of a riding lawn mower, drum and cymbals set, motorcycle, and boat, was only \$2,918 lower than the actual retail price of the package (\$31,918). She won the entire package!

How did Tiffany manage to come up with a bid that was so close to the value of the prize package? "At the beginning of the show, I realized I could use my insurance background to my advantage," Tiffany explained. "I knew my experience in claims could help me figure out the prices of the prizes because I was used to seeing similar items and their values on claim documents I handle. So, I put my insurance skills to work, and I became the big winner of the show."

Tiffany's total winnings that day were \$56,649. She kept all her prizes, except the boat, which she cashed in with the show's production company. The theme of the 2004 CPCU Meeting and Seminars was "Reach for the Stars." Tiffany did that and more!

For the 2006 class of 746 graduates, conferment was held on September 9, 2006, at the Gaylord Opryland Resort and Convention Center in Nashville, Tenn., directly after a brief CPCU Society opening session and an inspiring performance by composer/lyricist/singer Lee Greenwood, who sang the Star-Spangled Banner and his award-winning song "God Bless the USA."

Conducting the conferment ceremony were Peter L. Miller, MBA, AICPCU's president and CEO, and James E. Rutrough, CPCU, CLU, ChFC, chairman of the Institute's board of trustees and vice chairman and chief administrative officer of the State Farm Mutual Automobile Insurance Company. The CPCU-Loman Education Foundation presented each of the CPCU academic award winners (see related listing below) with a plaque and a monetary award, the AICPCU announced the winner of the Jack F. Derrickson Award for Outstanding Course Leadership (see related news release under What's New), and the two class spokespersons (see related article below) shared stories of their respective journeys through the CPCU program.

The conferment speaker was Jerry Linenger, MD, PhD, a retired U.S. Navy flight surgeon and former NASA astronaut, who in 1997 spent five life-altering months working alongside two Russian cosmonauts on the aging and outdated Russian space station *Mir*. Linenger, a natural storyteller, spoke with deep emotion about overcoming the inordinate difficulties and challenges of *Mir's* repeated critical system failures and numerous life-threatening emergencies. He conveyed being proud of successfully finishing what he had started and of his ability to

withstand challenges and embrace change. Throughout his talk, Linenger stressed his strong belief that the foundation of teamwork consists of individual competence and having confidence in one's abilities and training.

The conferment ceremony ended with the official conferment of the CPCU designation on the new designees by James Rutrough; the recitation of the CPCU Professional Commitment by all CPCUs in the audience; and the formal presentation of the CPCU Class of 2006 to the CPCU Society 2005-2006 president, Millicent Workman, CPCU, AU.

## **2006 Chartered Property Casualty Underwriter Honors Program**

Each year at the national conferment ceremony, the American Institute for CPCU recognizes the outstanding academic achievements of new designees. A Distinguished Graduate Award is presented to the graduate who earns the highest cumulative grade average on the CPCU examinations. The Distinguished Graduate receives \$1,000 and a plaque. An Award for Academic Excellence is presented to three CPCU graduates who earn the next highest grade averages. The Academic Excellence award winners each receive \$750 and a plaque. An International Award for Academic Excellence is presented to the non-US graduate with the highest cumulative grade average. The International Award winner receives \$750 and a plaque. All monetary awards are sponsored by the CPCU-Loman Education Foundation.

The Class of 2006 award winners are as follows:

### **Distinguished Graduate Award**

Elisabeth S. Wilbourn, CPCU  
North Carolina Farm Bureau

### **Awards for Academic Excellence**

Laurie Hanson, CPCU  
IMT Insurance Company

Dengxing Lin, CPCU, ARe  
Folksamerica Reinsurance Company

Francesca J. Robertson, JD, CPCU  
Unitrin, Inc.

Paula Gail Wyble, CPCU, AAI, AIS  
Gaudette Insurance Agency, Inc.

### **International Award for Academic Excellence**

Raymond Hugh Samuel Macauley, CPCU, AIS  
Aureol Insurance Company Limited

## **CPCU Class of 2006 Spokespersons**

### **Eileen M. Meckes, CPCU, AIS**

Underwriting trainee with FCCI Insurance Group, Sarasota, Fla.

Eileen began her CPCU studies with a specific goal in mind: she loved working in the insurance industry and wanted to become an underwriter. Knowing that earning the CPCU designation could help jump-start the process, Eileen signed up for CPCU 1, now known as CPCU 510. She knew the road ahead would be strewn with rigorous study materials and difficult exams, but a sense of determination and persistence instilled in Eileen over the years by her father kept her focused on her studies and CPCU exams. Eileen also had the help of friends who cheered her on and a boss who shared her vision. “[Earning] my CPCU designation spoke volumes about my determination,” Eileen shared, “and of course about knowing the principles and complexities of our industry and about being able to follow through on tough jobs.” The result of all Eileen’s hard work? By the end of 2006, she will have her own desk and a nameplate that reflects her new status as a commercial lines underwriter.

### **Christopher G. Daniels, CPCU, AIC**

Field claims specialist with Cincinnati Financial Corporation, Columbus, Ohio

After graduating from college and landing a solid job in insurance (after a couple of ill-fated attempts in other areas), Christopher’s path toward achieving his CPCU was mapped out by a trusted adviser, a member of the CPCU Class of 1978 whose gentle nudges kept Christopher going in the right direction. And finding his CPCU studies to be “learning with a purpose” kept his motivation high. With the added incentive of a free trip to conferment, Christopher kept his nose to the grindstone. Even after receiving a non-pass on an exam, Christopher, with the help of his wife’s “steady hand” and constant “message of persistence,” passed his last exam only seventeen months after taking his first one. “My tale is one of challenges and successes, adversity and accomplishment,” Christopher said. “But it is also a tale of people. From the sage advice of experience to the belief in my personal potential, the people made the difference in my trip.”

## **ASLI Conferment Held in Chicago**

The conferment ceremony for the Associate in Surplus Lines (ASLI) program was held in Chicago, IL, on September 15, 2006. This ceremony was conducted as part of the National Association of Professional Surplus Lines Offices (NAPSLO) Annual Meeting.

The Insurance Institute of America (IIA) develops the ASLI course materials for surplus lines professionals with support from the Derek Hughes/NAPSLO Educational Foundation.

Since its inception in 1996, over one thousand professionals have completed the ASLI program. Thirty-four of this year’s class of 169 new ASLI designees were present at the meeting and received the personal congratulations of Joseph D. Timmons, CPCU, ASLI, president of the foundation, and Andrew S. Frazier, CPCU, treasurer of the foundation. Ann E. Myhr, CPCU, ASLI, ARM, AIM, AU, and IIA’s director of curriculum for the ASLI program, presented the diplomas. The ASLI Class of 2006 represents 29 states and Puerto Rico.

During the ceremony, the top four graduates in the Class of 2006 were recognized and presented with cash awards and commemorative plaques. Chad Raver, CPCU, ASLI, an

underwriter for General Star in Stamford, CT, received the Distinguished Graduate Award. Katherine E. Connolly, CPCU, ASLI, AIM, AAI, an executive account manager for Lipscomb & Pitts Insurance LLC in Memphis, TN; Kelly A. Hadiaris, ASLI, an underwriter for James River Insurance Company in Richmond, VA; and, Robert P. Sandblom, CPCU, ASLI, ARM, ALCM, AMIM, ARC, a filings analyst for Scottsdale Insurance Company in Scottsdale, AZ, each received an Award for Academic Excellence.

The ASLI program consists of two required courses, two electives, and national examinations. The required courses cover the fundamentals, regulation, underwriting, and distribution of surplus lines insurance. They also cover surplus lines marketing issues, products, and coverages. Students choose two courses from a list of electives covering broader insurance industry topics to complete the requirements for the designation. These electives cover areas such as risk management, finance, claim handling, underwriting, agency operations, insurance information systems, premium auditing, and reinsurance.

For additional information on the ASLI program, visit the Institutes Web site, [www.aicpcu.org](http://www.aicpcu.org), or contact the Customer Service Department at (800) 644-2101.

### **AIC New Designee Recognition Luncheons**

Do you hold the AIC designation? The Insurance Institute of America (IIA) will host three AIC recognition luncheons at the PLRB/LIRB's three regional conferences in 2007. The conference locations are Richmond, Va.; Cincinnati, Ohio; and Costa Mesa, Ca.

For more information or to register, please e-mail Jennifer Smith at [smithj@cpcuiia.org](mailto:smithj@cpcuiia.org) or call her at (610) 644-2100, ext. 7852.

### **Institute Staff Profiles**

#### **Barbara Small**



As a member of the Institutes' Educational Services Department, Barb Small helps guide students as they begin earning the CPCU designation and is there to greet them with diplomas when they finish. Barb, who joined the Institutes in the Customer Service Department seven years ago, has served as matriculation coordinator for the last six years. She helps new students enroll in the CPCU program and provides program completers with the paperwork they need to finish. Barb is responsible for sending completion letters to students and arranges the printing and mailing of diplomas.

Barb's job as a resource for students at both the beginning and end of the CPCU program is invaluable. Institute students juggle responsibilities on the job and at home, and Barb keeps them on target with their CPCU studies. "I enjoy talking to students who are about to complete the CPCU program," she said. "They are always excited to receive their diplomas and get the chance to use their designation."

Barb's dedication to education started before she came to work at the Institutes. She served as an elementary school teacher and brought news to the classroom while working in the

Newspaper in Education (NIE) program at the *Daily Local News* in West Chester, Pa. NIE is a national program to improve reading, spelling, and writing abilities of students in elementary through high school.

### **Mary Zvaigzne**



Mary Zvaigzne is known among Institutes' staff as the "problem solver." A member of the Customer Service Department since 1998, Mary divides her time between answering customer calls, processing hundreds of book returns, and handling all of the problem orders that come through the department each day.

While on phone duty, Mary helps satisfy a wide range of customer needs by processing book orders, sending out grade reports, and advising students on course selection. It's while handling problem orders that Mary sometimes finds herself playing detective. Problems range from tracking down textbooks lost during shipping to finding the origin of books returned to the Institutes without paperwork or labels. She also helps students replace defective books and return and receive refunds for unwanted items.

"At the end of the day, it is very rewarding to have resolved issues to the customer's satisfaction," Mary said. "But my favorite part of my job is telling people that all of their hard work has paid off—I love reporting passing grades to students." As a customer service representative, Mary is in constant contact with our customers and has established many good friendships. "We have relationships with a lot of good people," she said. "I get to talk with fun people every day."