

Professional Certification Programs

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Introduction

The financial services and insurance industry has undergone, and continues to undergo, rapid and dynamic transition and growth. More people with greater incomes and a more sophisticated awareness of and demand for financial security and insurance currently participate in the financial markets than ever before. One result of this need has been an increased emphasis on the importance of professional associations or societies and their attendant designations. Candidates for or current holders of the various designations must meet not only certain academic qualifications but must also possess specified professional experience and conform to standards of performance and ethics. The following discussion provides a brief overview of the major financial and insurance professional designations (additional information can be found in the article, [Back to Basics: Industry Designations](#), by Optionetics.com), while information on avenues in real estate can be found in the document, [California Real Estate License](#).

Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) designation is conferred by the CFA Institute, formerly known as the Association for Investment Management and Research (AIMR). The change of name occurred in 2004. AIMR was created in 1990 from a merger of the Financial Analysts Federation (FAF) and The Institute of Chartered Financial Analysts (ICFA). ICFA was formed in 1959, receiving its initial support from The Financial Analysts Federation, with the conviction that investors as well as the public would receive maximum service only from financial analysts who continuously work to meet reasonable professional and personal standards. These standards are set through the consensus and conscientious efforts of the Institute's membership, and they are met by completion of several programs designed and implemented by the Institute.

A financial analyst seeking membership to the CFA Institute must:

- meet eligibility requirements;
- fully comply with the CFA Code of Ethics and Standards of Professional Conduct;
- study books, journal articles, and other readings designated by the Institute; and
- successfully pass three examinations, each approximately six hours in length and administered by the CFA Institute.

The candidate for the CFA designation must have at least a single current and principal engagement:

- in financial analysis of securities investment for a bank, investment company, insurance company, or other financial services or investment management firms;
- as an assistant, associate, or full professor or dean of a college or university, who teaches and/or researches;
- as an economist involved in financial analysis of securities investment;
- as a portfolio manager;
- as a financial analyst of securities investment within a public agency;
- as a financial analyst of securities investment for a corporate pension, profit sharing, or other retirement fund;
- as a manager of financial analysts or portfolio managers involved with securities investment and who, before assumption of management obligations, was a financial analyst or portfolio manager.

Financial analytical tools and techniques are constantly improving and changing to meet the demands of a dynamic investment environment. Therefore, the course and examination contents are continuously changing to remain current with the latest in analytical theory. Once an applicant has been accepted for candidacy for the CFA, he or she will be sent a Study Guide listing a detailed reading list. The entire program is based on home study, and no formal classroom instruction is presented by the CFA Institute. The CFA Institute does, however, organize study groups in cooperation with CFA educational coordinators of local analyst societies or colleges and universities. There are also study guides, textbooks, and reading lists published periodically by the Institute to assist candidates in their study.

The CFA is awarded to candidates who have passed the examinations and met the other requirements specified by the CFA Institute. More information can be obtained by visiting the [CFA Institute](#).

Chartered Investment Counselor (CIC)

This designation is relatively new to the financial services industry and is a rather specialized credential. It is given only to an individual specifically working as an investment counselor. The person can be employed by a financial service organization, a private or public corporation or institution, or an independent consultant, functioning as a counselor of investments.

Individuals seeking the CIC must already hold the Chartered Financial Analyst (CFA) designation and at the time of application he or she must be an associate with a member firm of the Investment Counselors Association of America. Professional references from a number of holders of the CIC must also be submitted with the application.

There is no ancillary course of study or examinations required for acquiring the CIC designation. Once the CIC has been conferred, its holder retains it wherever he or she might move or advance, as long as the designate remains a member in good standing of the Investment Counselors Association of America and continues to function as an investment counselor.

More information can be obtained by visiting the [Investment Advisor Association](#).

Chartered Financial Consultant (ChFC)

The Chartered Financial Consultant (ChFC) is a designation developed to expand the knowledge and professional skills of financial planners and life insurance agents. It is conferred upon successful completion of a ten-part course of study covering the fundamentals of financial counseling, investment management, and personal financial management. The course of study can be completed through home study or by attending classes offered by either a branch of the American Society of Chartered Financial Consultants or an affiliated college or university.

Enrollment in the course of study requires three years of professional experience in the insurance, investment, or financial management environments. No specific academic degree is required, but a high school diploma is normally requested. Personal and professional references are also required.

The course of study consists of ten college-level courses, each lasting approximately 15 weeks. A three-hour examination taken at the conclusion of each course must be passed to successfully complete the program. Frequency and time of course and examination offerings as well as costs vary with locations as well as sponsoring society or institution.

More information can be obtained by visiting the [American College](#).

Chartered Life Underwriter (CLU)

The Chartered Life Underwriter (CLU) credential is specifically designed to enhance the knowledge of people employed in the life insurance industry. Most, but not all, individuals who seek or have earned this designation are also licensed insurance agents or brokers. The CLU is conferred only upon successful completion of a ten-part course of study that covers fundamentals of economics, finance, taxation, investments, and other areas of risk management as they apply to life insurance. The course of study can be completed through home study or by attendance of courses offered by either a branch of the American Society of Chartered Life Underwriters or an affiliated college or university.

Enrollment in the CLU program requires that an individual have at least three years of professional experience in the insurance industry, preferably in life insurance. There are no degree requirements, although a high school diploma is strongly suggested. Three recommendations from clients and/or professional colleagues are also requested. The course of study consists of ten college-level courses, each lasting approximately 15 weeks. A three-hour examination taken at the conclusion of each course must be passed to successfully complete the program. Frequency and time of course and examination offerings as well as costs vary with locations as well as sponsoring society or institution.

More information can be obtained by visiting the [American College](#).

Certified Financial Planner (CFP)

The Certified Financial Planner (CFP) designation is awarded after successful completion of a six-part course of study. A three-hour examination must be passed after completion of each section, totaling 18 hours of testing. Historically the CFP has been conferred only by the College for Financial Planning located in Denver, Colorado. The college recently relinquished control of the designation to the International Board of Standards and Practices for Certified Financial Planners.

Enrollment in the CFP program requires that an individual have at least three years of professional experience in the investment, personal finance, or financial management arena. There are no degree requirements, although a high school diploma is strongly suggested. The six-part course of study consists of: (1) introduction to financial planning; (2) risk management; (3) investments; (4) tax planning; (5) retirement planning and employee benefits; and (6) estate planning. Examinations are given three times a year.

More information can be obtained by visiting the [Certified Financial Planner Board of Standards, Inc.](#)

Chartered Property Casualty Underwriter (CPCU)

This is the leading professional designation in the field of property and casualty insurance. The program consists of 10 semester length courses leading to national examinations. The courses are at an upper division undergraduate level. They do not have to be taken in order. In addition to five courses in insurance and a course in current topics, there are four courses in economics, insurance accounting and finance and insurance law. University students that enroll in the program should take the business courses first since they will gain an advantage from having taken similar courses as an undergraduate. There is a code of ethics and a three year work requirement for the designation. These courses may be begun before one enters the industry and then ideally completed during your first three years in the industry. University professors teaching insurance courses are considered to be earning industry experience.

For more information, visit the [American Institute for CPCU](#).

Associate in Risk Management (ARM)

This is the leading designation for persons working in the field of risk management. It is run by the same staff as the CPCU program above. It consists of three semester length courses leading to national examinations. The course level is equal to or above that of the CPCU program. The courses cover an introduction to risk management, loss control, and risk financing.

For more information, visit the [Insurance Institute of America](#).

Program in General Insurance (INS)

This is an introductory level program designed for persons wishing to gain knowledge of the industry but not prepared to take a more difficult course such as the CPCU. It consists of three semester length courses at a lower division difficulty level. The program is also run by the staff of the Insurance Institute of America.

For more information, visit the [Insurance Institute of America](#).

Additional Certificate Courses in Insurance

The Insurance Institute of America in Malvern runs many additional certificate courses in specialty areas including underwriting, claims, insurance accounting and finance, premium auditing, reinsurance and insurance ethics. These courses are similar to the ARM program.

Insurance Actuarial Designations

The insurance actuarial organizations provide nine/ten course programs leading to the designation of Fellow of the Actuarial Society. There are programs for life actuaries, pension actuaries and property casualty actuaries. All the societies share the first two examinations which are multiple choice in format. Examination one is a rigorous test covering four semesters of calculus. Examination two covers probability and linear algebra. Insurance companies will hire candidates and provided support and study time for the advanced examinations.